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JAPAN HERALD, AND JOURNAL OF THE EASTERN ARCHIPELAGO.

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A SUMMARY OF NEWS FOR THE OUTWARD MAILS OF 10th, 17th, and 28th.

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STATISTICS OF TRADE.

With this number we issue, in a Supplement, "TABULAR STATEMENTS OF THE CHINA TRADE" for the past Five Years.

Latest Advices.

	From London.	Arrived out.	Homeward. Arrived in London this day.
JAPAN—			
Kanagawa			Jan. 1
Nagasaki			" 16
Hakodadi			
CHINA—			
Peking			Jan. 13
Tieu-tein			" 21
Hankow	Nov. 17	Jan. 7	" 11
Shanghai			" 11
Foo-Chow-Foo			" 11
Amoy			" 11
Suow			" 11
Hong Kong	Dec. 10	Jan. 23	26
Canton			
Macao			
PHILIPPINES—			
Manila	Nov. 17		" 7
COCHIN-CHINA—			
Touron			" 20
Saigon			
SIAM—			
Bangkok			" 20
BORNEO—			
Labuan			" 20
Sarawak			" 16
JAVA—			
Batavia			" 16
MALACCA STRAITS—			
Singapore	Dec. 26	Jan. —	Feb. 3
Penang	" 10	" 13	Jan. 24

List of Passengers.

PASSENGERS OUTWARD.

By next mail, per P. and O. steamer Ripon, March 4, from Southampton.—To Hong Kong: Mr. G. Williams, R.N., Mr. J. Gittings, Commander J. W. Webb, R.N.—To Singapore: Mr. Wyon. From Gibraltar.—To Hong Kong: Messrs. Manuel Pereira and Edward Pereira. From Marseilles, March 12.—To Singapore: Mr. and Mrs. Schwabe, infant, and two children.—To Hong Kong: Messrs. T. M. Drysdale, H. Marshall, Jas. Deacon, E. Cobbett, Edward Mellish, Mr. and Mrs. J. H. Wright, Mr. Fearon.—To Shanghai: Mr. L. S. Dunlop. From Suez.—To Hong Kong: Mr. Grobrien.
Per P. and O. steamer, March 12, from Southampton.—To Shanghai via Bombay: Messrs. Nimmo and Stevenson. From Suez.—To Shanghai via Bombay: Mr. Cornes.
Per P. and O. steamer Baroda, March 20, from Southampton.—To Shanghai: Mr. Daniel McAllister, Mr. Walter Walter. To Hong Kong: Mr. Henry Parke, Mr. Scholefield, Mr. and Mrs. Odell, Mr. G. H. Wilson. To Singapore: Mr. A. Gentle, Mr. Faulkner. From Marseilles, March 28.—To Penang: Messrs. W. C. S. Paddy, and P. C. Paddy. From Suez.—To Singapore: Mr. Dunlop.

Summary of News from the Far East.

JAPAN. YOKOHAMA.

The dates by the French mail are to the 1st Jan., and were brought by the P. and O. Company's steamer *Granada*, which made a long passage, not arriving at Shanghai till the 12th.

It was understood that the Tycoon was to leave Yedo for Miako about the middle of January. It is said that the great Daimios who have been urging upon the Mikado a liberal foreign policy consider that their purpose is effected, and await the coming only of the Tycoon for the final conclusion of that important determination.

The new Embassy to Europe has been finally determined on. The *Commercial News* says:—"Bearing in mind their avowed policy of exclusion from this port—if not from Japan altogether—it is not to be wondered at that they should attempt to effect in their own way what they failed to do by ordinary diplomacy. Their faith in diplomacy, however, is not ex-

hausted; and concessions which they have been peremptorily refused by foreign representatives they believe will be granted by foreign Sovereigns, as in the case of Osaka, &c.; and so they have resolved to carry their request to the fountain heads at the Courts of Europe and America, by sending another Embassy, which, we heard of late, is to consist of Okubo Bungo, no Kami, late Governor of Nagasaki, Ikida Tzekugo-no Kami and Awa-to Hantaro, Omet'ske, with the usual staff of attendants. Their departure has, we hear, been postponed to about the 12th February next. Monsieur Degron leaves by the mail of the 1st of January for Shanghai in order to make arrangements for the Japanese Embassy in the French mail steamer, by which line they mean to proceed to Europe at their own expense."

The destruction by fire of the Tycoon's Palace at Yedo, which we have already heard of *via* San Francisco and New York, is confirmed by these advices. Our contemporary last quoted reports:—"The palace, or rather palaces, of the Tycoon—all within the great moat, which the Japanese call, by way of pre-eminence, the Gohonmaroo—have been destroyed by fire; but a conflagration in Japan is a very ordinary incident, and one which, on an average, falls to the lot of a Tycoon as often as to that of a peasant. It is said that the palaces were blown up and fired by gunpowder, and that Hitohs' bashi is the author of this last attempt on the life of the Tycoon. For various reasons, which we need not detail at present, we think this very likely; still, we can give it only as a report." The fire, however, took place on the 22nd December, and not on Christmas-day, as stated in the American account.

On the same day, the new residence of Messrs. Louis Kniffler and Co., situated in the centre of the main street of Yokohama, was totally destroyed by fire. The alarm brought to the spot all the aid of the settlement and of the ships in harbour; but the day was windy, and it was impossible to save the building. Great sympathy and goodwill were displayed by his Excellency Okubo Kiye-no Kami, Governor of Kanagawa, who, with his staff, hastened to the scene of the fire, planting his fire brigade standard close by, and which, it was evident, some hundreds of his countrymen were prepared to follow, if their assistance was acceptable. We witnessed the whole matter from beginning to end (says the *Herald*), and we saw that members of the Japanese fire-brigade, hearing the alarm, rushed from their sundry employments in all directions, ran to their lodge or rendezvous, and seizing their implements and ladders, hastened towards the fire.

The United States frigate *Jamestown* left on the 25th December, under special orders; of course, the surmise was that she would keep a look out for the *Alabama*.

Trade has shown a downward tendency; but this (observes the *Commercial News*) we anticipated; for, notwithstanding the unusual influx of silk, tea, and cotton to this market a few weeks ago, we had previously known and stated that there was a certain accumulated stock at Yedo destined for this market, and that when this stock should be exhausted a decided slackness would follow. This is proving to be true; for during the last ten or fifteen days no silk has come to market; and with the exception of raw cotton, the supply of export commodities is comparatively small. In fact, it is confined entirely to raw cotton. Owing to the rumoured troublesome times in the interior, imports have been neglected, camlets alone receiving attention at a decline from former quo-

tations. Until greater safety is vouchsafed merchants by the Japanese Government in their dealings with foreigners, we fear a cessation on trade will necessarily ensue. To this we may add, as a matter of record, that native chops at Yokohama continue to close. The detrimental influence has extended even to provisioners and poultry dealers; and in a stroll through the native town one cannot help observing the altered condition of things. Upon inquiry as to what this state of things is owing, the cause is generally assigned to the action of the "ronins," who are said to be unusually numerous and troublesome in and about Yedo at present. One is tempted, however, to question this explanation, and to assign the real cause to the policy of the Government. They have of late repeatedly expressed their intention to suspend, or close altogether, the business of this port; and the manner in which trade has alternately advanced and receded of late leaves no doubt that it is wholly in the leading strings of the Government, who guide it as they please.

The *Herald* corroborates the above. It states:—"In Japanese affairs there is little worth notice, excepting, indeed, the closing of sundry shops in the native town. Some say that this is the result of the intimidation and murderous assaults which have been a good deal practised of late upon persons known to be trading with foreigners. We have been credibly informed that at Yedo alone, 38 persons, including even females, have been recently murdered for having traded with foreigners; and the Gorojio state, truly, we presume, that Yedo is so infested with bands of Ronins at present, as to render it highly dangerous for foreigners to visit that city. Some of the Tycoon's ministers visited Yokohama and called on the Foreign representatives during the week. We hear they mean to come again soon after Christmas, but the object of their visit is not yet known."

Dates have been received from Nagasaki to the 16th January. Everything was quiet, and trade moderately active.

CHINA.

SHANGHAI.

DEFALCATION—ORIENTAL BANK, SHANGHAI.

We hesitated to publish the following in our last issue:—

"Considerable sensation has been created here by the defalcation and disappearance of the compradore of the branch of the Oriental Bank; some five native bankers were the principal sufferers; every step was immediately taken by the manager for the apprehension of the delinquent. Reports have been numerous and conflicting, and the exact amount abstracted and the actual circumstances of the case are known but to a few. It is believed, however, that the Oriental Bank will hold the sufferers harmless, and in the meantime we look with confidence to the apprehension and punishment of the defaulter. There can be little doubt that, as a general rule, this class of Chinamen possess far too much the confidence of their employers, which, when worth their while, they but too frequently abuse. The compradore has been placed in custody, whilst the bank holds the native bankers' sycee in trust pending the judicial inquiry."

The following letter appeared in the daily papers:—

"Threadneedle-street, Feb. 27.

"Sir,—By the China papers received this morning it is reported that our native shroff at Shanghai was a defaulter, and that the corporation will be a loser thereby to the extent of 125,000 taels, or about £40,000.

"I am happy to say that the amount of probable loss is greatly exaggerated, as by our agent's advices we have reason to believe that the ultimate loss, if any, will be inconsiderable.

"Your insertion of this will oblige, Sir, your most obedient servant,
"CHARLES J. F. STUART,
Chief Manager."

By the mail delivered this morning, with dates to the 21st January, we have the following additional particulars:—

"We are glad to be able to announce that the Oriental Bank have paid over in dollars to the Chinese bankers the amount for the Syce disputed, with the exception of three boxes and a half, say between 8,000 and 10,000 taels, which the bank refuse to pay. The Chinese we believe have instituted proceedings against the bank for this balance."

The following letter has just been received:—

Oriental Bank Corporation, London, March 7, 1864.

The Chief Manager of the Oriental Bank Corporation presents his compliments to the Editor of the *London and China Telegraph*, and in reply to his note of to-day begs to inform him that some of the Corporation's letters from China has not come forward by the French mail, but the chief manager have reason to believe the information correct that the Sycee, or its equivalent in dollars, has been returned to the native bankers at Shanghai.

Several robberies with violence had taken place by bands of armed Canton men in the Settlement. In one case the ruffians were dressed up as foreigners (unless, indeed, they really were foreign rowdies).

Small-pox was prevalent, and had extended to the floating hospital, *Berwick Walls*.

"With reference to the remarks made in the *North China Herald* of the 2nd Jan. as to the facilities offered by the Wharf Companies to steamers requiring to coal quickly, we (*Daily Shipping*) have been informed that many of the mercantile houses in Shanghai owe to the Shanghai Wharf Company their being able to catch the mail for England. The *Chanticleer* took in one hundred tons of coal in five hours, and, although it was late on Sunday night before her requirements were made known to the manager of the wharf, she discharged her inward cargo, took in outward, and was ready to start by 2 P.M. on Monday. The *Feidong* also took in 40 tons of coal in two hours. These facts are sufficient to establish the value of the Companies, and we therefore trust to find them enjoying a large share of public patronage.

The obstruction caused to the navigation of the entrance to the river and the river itself by the accumulating number of wrecks has caused much dissatisfaction amongst those most deeply interested in shipping matters, and as it appears that there exists no organised means and authority for removing such without considerable delay and circumlocution, we have mooted in the columns of our daily paper, the necessity which exists for the formation of a river and harbour trust, such as has lately been introduced in Calcutta and founded upon that which has worked so well for many years in the Clyde; the right might easily be purchased or farmed from the Chinese Government, and would, we are convinced, after paying all expenses, leave a very pretty margin for the shareholders. We hope to see this question taken up by the Chamber of Commerce, and our hint, if it be worth anything, worked out for the general good of the settlement by wiser and more practical heads than ours.

The Masonic Brethren of Shanghai gave a most successful ball, which was graced by the unprecedented number of nearly fifty ladies, many wearing the scarfs and jewels of their husbands' orders. It was a red-letter evening in the annals of gaiety in Shanghai, and its repetition will be anxiously hailed by all.

A case of considerable interest was heard before the American Consul a short time ago, involving an important question as to the responsibility of employers for the acts of their employees. The following letter from "A Merchant" gives the facts and bearing of the point in litigation and of the decision:—

"Mr. David Reid bought (through a broker) from Messrs. Leighton and Co. 8,000 piculs of rice, and in due time paid to their compradore the full amount, receiving in return three godown orders written on the defendants' printed forms, bearing numbers which showed them to belong to a series, and signed for the firm by a clerk who had been in their employ for more than a year, and who is so still. But the delivery was refused on the plea that the defendants were not responsible for godown orders issued by a clerk. This is the real and the only point at issue, for, putting aside the satisfactory explanation given by the pursuer, it is evident that forfeiture could not follow failure to take delivery on the 16th of July without formal notice being first given. It seems then that any American merchant who chooses to repudiate the godown orders of his firm when not signed by himself will be supported by his Consul in so doing. This is a very serious thing for us all, not excepting American merchants, for it is notoriously the universal custom of the port to have godown orders signed by the clerks only. This was fully established by the evidence of the pursuer, who produced other godown orders (those of Messrs. Dent and Co. amongst the number) all signed by clerks only, and for whom the following gentlemen gave evidence to the same effect:—Mr. H. H. Wiggins, manager of the Commercial Bank of India (in which bank an advance had been made on security of the very godown orders in dispute), Mr. G. F. Heard, Mr. C. Thorne, Mr. H. D. Stewart (of Messrs. Turner and Co.), and Mr. A. A. Hayes (of Messrs. Oliphant and Co.). From this judgment there is, it seems, no appeal, so that it cannot be overruled; but for our safety in pending transactions it is desirable that it should be authoritatively pronounced against."

The *Daily Paper* says:—"We learn from a Chinese source that the Imperialists have experienced a severe defeat in the neighbourhood of Chin-keang. They attacked some rebel stockades in force, but were repulsed with great loss, and pursued for some distance by their adversaries. It is evident that the rebel troops retain their old superiority over the Imperialists, when the latter are not aided by foreign discipline and counsel. If the Futai ever indulged the hope that now that Soochow has fallen he could afford to dispense with the services of the disciplined force, the events of the last fortnight will probably have disabused him of the impression. He has been defeated at Chang-chao, with the loss of his best general, and his troops have now experienced an equally severe reverse in another part of the province. It will be unsatisfactory to his Excellency to have to report failure in two minor under-

takings, after the glowing accounts of his own prowess which he sent to Peking after the fall of Soochow. But probably his Excellency's command of language will enable him so to represent his defeats as that they shall appear victories."

Her Majesty's Order in Council of the 12th September last, prohibiting the return to China of British subjects sent away from thence by Her Majesty's Consuls, after having been convicted of offences, is republished in the *North China Herald* of the 16th January.

Dissatisfaction is expressed at a new breach of faith on the part of the Futai, by which he seeks to levy half a million of taels, after having agreed in June last that twenty per cent. being then levied on rentals, there should be no further increase or addition made to existing taxes. It appears, however, that "the present demand is not a tax, but simply a request addressed by the Government to its subjects that out of their superfluity they will present it with a certain sum to meet its requirements." The *North China Herald* contends that "the Chinese Mandarins are not entitled to levy taxes on the Chinese residents in the foreign settlements." It appears, however, that Sir Frederick Bruce ruled on a former occasion that the Chinese had a right to tax their own subjects.

The annual meeting of the subscribers to the Shanghai Library was held on the 11th January. The total number of subscribers for the year is 153, of whom 120 are annual, 7 half-yearly, and 26 quarterly. The treasurer's account shows an available balance of taels 198.71.

The week ending the 16th Jan. has been signalised by the commission of three murders by Chinese on Europeans, and of one by Europeans on a Chinese. A soldier named Bonham, servant of Lieut. Cardew, went out on Sunday afternoon, accompanied by a China boy, to shoot in the neighbourhood of Sikaway. When at a village called Mei-ka-wong, he shot a Chinaman's dog, and was immediately set upon by the villagers, and murdered by blows from their rakes. The boy was bound hand and foot, and carried off; but he, also, was subsequently murdered. Colonel Hough heard of the affair on the night of its occurrence, rode to the spot, and ordered his men to dig in the bed of a small water-course at a place which was pointed out to him as that in which Bonham had been buried. Darkness came on before he had reached the body, but not before he had discovered, in clods of earth saturated by blood, sufficient evidence that his information was correct. He was obliged to desist, but returned the next morning, accompanied by H.B.M. Consul, and renewed the search. The body, however, had been removed during the night, and the neighbouring villages were deserted. The next day, Lieutenant Cardew set out for the neighbourhood, accompanied by a detachment of his disciplined Chinese, and was successful in discovering the body of the murdered man, which had been removed to a spot about a mile distant from that at which it was previously interred. The body of the boy was found in the same grave. Five men have been arrested on suspicion of being concerned in the murder, and there appears little doubt that their guilt will be brought home to them.

The second case was that of two men named Baker and Horgan, who were coming down from Quinsan with a considerable sum of money, said to amount to between \$4,000 and \$5,000, in the boat. A few evenings ago Horgan's boy arrived in the settlement on foot, stating that his master and Baker had been murdered by men speaking the Canton dialect, who had carried off all the property. Neither the culprits nor the bodies of the murdered men have yet been discovered.

The third case was that of a Chinaman, whose boat was impressed by two rowdies. They replied to the boatman's solicitation for payment by kicking him in the stomach, thereby injuring his spleen so as to cause death. The two men are in custody in the English Consular Jail.

A meeting of the Shanghai volunteer corps has been held, at which the treasurer stated that a balance of tls. 937 stood to the credit of the corps at the close of the year 1863. The corps purposes to erect a gymnasium, but the arrangements have not yet been perfected.

From Soochow we learn that the Futai's brother has marched, with the troops under his command, to besiege Chang-Chow, an important city on the grand canal beyond Woosih. This mandarin has yet only succeeded in getting defeated on every occasion on which he has been entrusted with important command; and as he is likely to find at Chang-chao the most formidable resistance he has yet encountered, it is probable that a similar result will again occur. Fortune has

not yet smiled upon the expedition. The celebrated Chinese General Ching was shot through the heart when leading on an attacking party. This will be a serious blow to the prospects of the Imperialists in the province.

The "ever victorious force" has been enjoying quite a round of gaiety whilst resting on their laurels at Quinsan. First, came a dinner given to Major Gordon—then one given to the officers of the garrison; then three in succession, by the officers of the 1st, 2nd and 4th Regiments; and lastly a grand ovation by Admiral Lee Adong on his promotion. The Rhenish band was in attendance, and we hear that the festivities passed off with great *clat*.

In our last issue we noticed a new Tug and Lighter Company, &c., and we have now to add the Shanghai Steam Washing Company, the proprietors of which are Messrs. Legrand and Co. These gentlemen have erected commodious premises, and in addition to celerity and cheapness in turning out our linen, undertake to accomplish necessary repairs, and all at the moderate price of \$2.50 per 100, or half a dollar less than the present Dhobee trashing system.

Bulkley, the murderer of McKinnon, had been brought to Shanghai in H.M.S. *Encounter*, and his trial was to come off in a few days. In order to give him every legitimate chance of putting his case in a favourable light, the United States Consul General has permitted him to engage the services of a lawyer.

Commenting on the cases of "Reid v. Leighton," and of the claim of several Chinese bankers against the Oriental Bank Corporation, the *Daily Shipping Paper* remarks "that it is high time for the merchants and bankers of Shanghai to emancipate themselves from their compradors. It is natural that there should be a reluctance to break through an established system which worked smoothly and saved much trouble; but such losses as those experienced by Mr. Reid and by the Oriental Bank are a high price to pay for the convenience. A clear understanding should be come to that the compradore is not authorised to effect any transaction in his own person, and no bargain should be closed with him unless he produce the written assent of his principal to the transaction. A very similar office to that of compradore exists in India, namely, that of banian. But though his functions are similar, a banian's powers are much more limited. A European firm would not conclude a transaction with him without the sanction of his principal's name; nor would a bank entrust its cash to him so implicitly that he could employ it largely for his own purposes."

HONG KONG.

The dates of the present mail are down to Jan. 26. The English mail of Nov. 26 arrived out on Jan. 20, and Dec. 10 on the 25th. We regret to report another piracy similar to the *Parana*.

The Danish brig *Chico*, with a crew of nine European seamen and two Chinese, was towed out by a steamer, and the weather being very rough they came to anchor. At about eleven o'clock P.M. on the day of starting (Jan. 20) two large and two small piratical boats came alongside, boarded, and immediately the decks were covered with pirates, who attacked the ship's company, killing the captain and three Europeans; four of the crew got below, when stinkpots were thrown down; after ransacking the vessel they left. The five Europeans and two Chinese jumped into a small boat and made for the shore and landed; they were followed on shore by the pirates.

The steamer *Bahama* is announced for sale, freight or charter by Messrs. Johnson and Co.

The twenty-fifth annual meeting of the Medical Missionary Society was held at Canton on the 15th January. From the annual report of the hospital in that city, it appeared that the number of patients attended to during the year was 14,628 at Canton, 5,445 at Fuh-shan, and that a new dispensary had been commenced in connection with the Rhenish Missionary Society at Shik-lung, a large town forty miles east of Canton, where 1,730 patients had been prescribed for. The number of children vaccinated was 1,494. The number of in-patients received was 452, and about 600 surgical operations had been performed. Pecuniary assistance to the amount of \$75.55 had been given to some of the most destitute in-patients and to some of the out-patients. The amount of money paid out on account of the hospital and dispensaries was \$1,376.34, from which is to be deducted a balance from last year of \$129.62, and the sum of \$87.34 received for medicines and trusses sold, leaving the sum of \$1,159.38 expended for rent, hire of assistants, medicines, aid to poor patients, &c. Religious services

have been conducted by the Rev. C. F. Preston, assisted in Fuh-shan by the Rev. J. M. Coudit. The Rev. Mr. Graves' report of the dispensary at Shau-king (Shiu-hing) was also read. The number of patients prescribed for was 1,685, a number of minor surgical operations had been performed, and some important cases had been sent to the hospital in Canton.

The Treasurer's report stated that receipts of the society, from subscriptions and interest, were \$2,132, and the amount paid out was \$100. It was stated, however, that the sum of 1,260 for the current expenses of the hospital and dispensary had been paid since the account was rendered. Deducting this sum, there remained \$4,247 in the treasury to the credit of the society. A circular was laid on the table to which subscriptions for the enlargement of the hospital had been obtained to the amount of \$2,550, and a Chinese subscription book which contained the sum of \$445. It was resolved that a new hospital was desirable, and that a committee should be appointed to devise the best means of accomplishing the object. Dr. Colledge, M.D., F.R.S., at present in England, was chosen president for the ensuing year.

A most atrocious murder has been perpetrated in a house in Taipingshan. Mossajee Dawodjee Satty and his wife (a Chinese female) were found by the neighbours dead in their own house, whither the former were attracted by the cries of a little girl of three years, daughter of the pair. It appears that the man had amassed a sum of money amounting to \$2,300, and that he was about to return to Bombay with his savings. The circumstance was well known in the neighbourhood, and it is supposed that the murderers wished to possess themselves of the cash. This they did not manage to do, as \$1,100 was found in a belt round the waist of the deceased, and he is known to have placed \$1,000 in the hands of a native firm here. The bulk of his money is therefore satisfactorily accounted for. The unfortunate victims had been gagged and pinioned before the crime was committed. A coolie who slept in the same building, and who had absconded, has since been taken up on suspicion.

The steamer *Rajah* was advertised for sale by Messrs. Augustine Heard and Co.

The following paragraphs are from the *Peking Gazette* :—

The "filchers" of Nganhwiu province are reported to have invaded the district of Chung-tsiang in Honan, under the lead of Ching-ta and Lau-kan, dividing into parties and spreading over Teh-ngan and Ying-shan. The Imperialists met them in as many detachments, and defeated them at Tapei-tien, and near the Lai-ku or Thundering Drum Hill in Sui Chan, and other contiguous places, on successive days, taking prisoners and executing them. Another detachment of them passed this to the south towards Lang-kiun Bridge in Ying-ching district, where they met a body of Imperialists, and were attacked in several places. The slaughter was very great, including several of their high officers of various ranks left on the field.

The insurgents in various parts of Tsi-nan-fu and of Tung-chang-fu, lying in Shantung, having yielded, and Sankolinsin having made a clearance of their bands, the whole force has gradually been destroyed, except their leader Sung, who has escaped. The Governor of the Province has accordingly repeatedly received orders to disperse the remaining bands, and restore the country to its peaceful condition. But he (the Governor Yen King-ming) has made false reports of a few partial successes over them to assure us that the whole province is quiet, and there is no occasion for more operations. He has accordingly trumped up a statement, and planned a scheme out of these reports to relieve himself of further care, by requesting that he may be relieved of his office. His application to resign on account of family mourning is therefore refused.

The Governor of Kansuh, Ngan-lin, the Mohamedans of Hanchau in that province and the Chinese of Tih-tau Chau, since the end of last year have been at strife, and the two parties have repeatedly stirred up the populations there, and had fights among themselves. The Governor Ngan-lin has already issued orders to prefects and magistrates of those districts to exert themselves to allay these feuds, and bring the two parties together so as to remove their suspicions, and quiet the regions. This has been done, and the troubles are removed, so that the Governor has requested that the local officers be rewarded for their efforts.

PHILIPPINES.

MANILA.

The following is the statement of exports from Manila for 1863 :—

		Piculs.			Piculs.
SUGAR—To G. Britain ..	430,173		HEMP—To G. Britain ..	183,660	
" United States ..	54,758		" U. States ..	221,804	
" Continent ..	13,098		" Continent ..	4,325	
" Pacific ..	76,582		" Pacific ..	11,520	
" Australia ..	246,782		" Australia ..	950	
COFFEE—To G. Britain ..	2,772		CIGARS—To G. Britain ..	17,781	
" Continent ..	5,324		" U. States ..	1,633	
" Pacific ..	6,320		" Continent ..	579	
" Australia ..	481		" Pacific ..	1,758	
SAPANWOOD—To G. Brit. ..	4,212		" Australia ..	3,480	
" U. States ..	1,515		MOTHER-O'-PEARL SHELLS—		
" Continent ..	1,641		To Great Britain ..	1,028	
" Pacific ..	460		" U. States ..	121	
			" Continent ..	442	

STRAITS OF MALACCA.

SINGAPORE.

The *Straits Times* pays the following well deserved compliment to Captain Reed, of H.M.S. *Riflemen*. The qualities exhibited on a service so essential to the safety of commerce and life, often far transcends in courage, endurance and patience those called forth an actual warfare:—"We are very sorry to learn that Captain Reed of the *Riflemen* has not benefited in his health by his trip to China, and that it is positively necessary that he should proceed to Europe with the least possible delay. Captain Reed has now been altogether ten years connected with the survey of the waters in our immediate vicinity. He was second in command of the *Saracen*, and shared in the work of all the important and well known surveys made in that vessel—including those of the Gulf of Siam and the Straits of Banka. The surveys which have been conducted by him during the last two years in the *Riflemen* are too well known by our readers to require more than attention to be drawn to them, for they have appeared at length in these columns. Captain Reed has wisely and determinedly directed his attention to the clearance of the main routes to China, a work the importance of which can be best understood by a reference to the enormous value of property that is yearly conveyed through them. In his task he has progressed with singular success and rapidity, and it is to be regretted by us—as it probably is by himself—that he cannot remain to complete the valuable work which he has inaugurated and so assiduously carried on for nearly two years.

Births, Marriages, and Deaths.

(Announcements for Subscribers are made free of charge.)

BIRTHS.

ANGIER—On the 4th March, at Forest-hill, the wife of F. J. Angier, Manager "London and China Telegraph" and "Cape and Natal News," of a son.
ANTROBUS—On the 2nd March, at 13, Sutherland-place, Eccleston-square, S.W., the wife of the Rev. George Antrobus, M.A., of a son.
FREEMAN—On the 3rd Jan., at Amoy, China, the wife of Robert Freeman, Esq., of a daughter.
FARR—On the 15th Feb., at Gravesend, the wife of Mr. F. Farr, of Shanghai, of a son.
OZORIO—On the 20th Jan., at Hong Kong, the wife of C. A. Ozorio, jun., of a son.
SCHEIBLER—On the 26th Feb., at Grove-park, Camberwell, the wife of H. Scheibler, Esq., of a son.

MARRIAGES.

THOMSON—MACHILL—On the 12th Jan., at Shanghai, by the Rev. R. Hamilton, Harvey Thomson, to Eliza, second daughter of the late Thomas Machill, Surgeon, London.

DEATHS.

MARKHAM—On the 14th Jan., at Shanghai, John Arthur, infant son of John Markham, Esq., H.B.M. Consul.
REED—On the 21st Jan., at the General Hospital, Hong Kong, John Reed, Private H.M. 99th Regt., aged 25 years.
SANDILANDS—On the 28th Feb., at Rathangan Lodge, county Kildare, Ireland, Edwin W. P. Sandilands, B.C.L., late Fellow of St. John's College, Oxford, youngest son of the late Rev. Percival Sandilands, aged 34.
SANDILANDS—On the 29th Feb., suddenly, at Croydon Rectory, Cambs., the Rev. Richard S. B. Sandilands, M.A., of Ch. Ch., Oxford, rector of Croydon, aged 73.
VAN ESKEN—On the 19th Jan., at the Civil Hospital, William Van Esken, Master Mariner.

EXPORT OF TEA AND SILK TO GREAT BRITAIN. 1863-64.

	From Kana-gawa.	From Shang-hai.	From Foo-chow.	From Amoy.	From Canton, Macao, &c.	Total lbs.	SILK. Total Bales.
From June 1, to Dec. 31, 1863	1535526	45078650	33608454	1930668	11466242	9867924	33431
Corresponding period last season	1153284	3428554	32805250	336208	17558846	33110901	55017

SHIPMENTS IN DECEMBER.

Ship.	From	lbs.
Star Queen	Shanghai	1,086,778
Balmacara	Amoy	495,350
Chalmers	Shanghai	761,600
Maria Wilhelmine	Athoy	247,674
Standard	Foo-chow	491,700
Mary Ann Wilson	Canton	1,014,496
Heroes of Alma	Shanghai	714,300
Princess of Wales	Do.	528,478
Isabella Ridley	Foo-chow	635,400
Banksia	Do.	638,000
Island Queen	Foo-chow	534,054

TO UNITED STATES.						
From June 1, to Dec. 31, 1863	...	...	...	...	13832106	Piculs. 468
Corresponding period last season	...	...	...	...	13366620	1086

SHIPMENTS IN DECEMBER.			
Ship.	From		lbs.
J. H. Nicholson	Foo-chow	...	787,500
L. uia Kohn	Amoy	...	408,007
Queen of the Sea	Foo-chow	...	559,363
Apollo	Shanghai	...	614,590
Confucius	Amoy	...	333,291
Elizabeth	Shanghai	...	507,046
Guiding Star	Do.	...	493,323
Peep-o'-Day	Foo-chow	...	526,200
Anne Wood	Shanghai	...	575,871
Capella	Do.	...	533,619
K. hlambr	Foo-chow	...	307,709

TO THE CONTINENT.						
From June 1, to Dec. 31, 1863	...	...	...	...	1289007	Bales. 3271
Corresponding period last season	...	...	...	...	1124761	6533

SHIPMENTS IN DECEMBER.			
Ship.	From		lbs.
Taffarete	Canton	...	139,420

TO SAN FRANCISCO.						
From June 1, to Dec. 31, 1863	...	...	...	...	Packages 19,751	...
Corresponding period last season	...	...	...	...	29154	...

TO AUSTRALIA.						
From June 1, to Dec. 31, 1863	...	...	...	...	Total lbs. 8343027	...
Corresponding period last season	...	...	...	...	6299111	...

SHIPMENTS IN DECEMBER.			
Ship.	From		lbs.
Mary Miller	Hong Kong	...	2,143
Greyhound	Foo-chow	...	225,700
Golden Flece	Do.	...	358,100
Eliza and Mary	Do.	...	125,500
Elizabeth	Do.	...	511,600

TO GREAT BRITAIN.						
From 1843 to 1844	...	...	...	...	51,022,600	...
" 1845 to 1846	...	...	...	...	57,334,200	18,604
" 1847 to 1848	...	...	...	...	63,972,300	22,143
" 1849 to 1850	...	...	...	...	77,327,800	61,980
" 1851 to 1852	...	...	...	...	92,210,300	50,480
" 1853 to 1854	...	...	...	...	76,990,255	68,311
" 1855 to 1856	...	...	...	...	65,789,792	83,136
" 1857 to 1858	...	...	...	...	85,560,452	64,163
" 1859 to 1860	...	...	...	...	90,666,100	73,644
" 1861 to 1862	...	...	...	...	119,554,040	70,199
" 1863 to 1864	...	...	...	...	121,373,580	...

EXPORT OF SUNDRIES TO GREAT BRITAIN.

	Cotton Piculs.	Wool Piculs.	Camphor Piculs.	Cas-in Piculs.	Anised O.I. Boxes.	Japan Wax Piculs.
From June 1, to Dec. 31, 1863	263000	...	8857	4775	274	1448

SHIPMENTS IN DECEMBER.			
Ship.	From		Piculs.
Glenhantley	Shanghai	...	4,508
Light of the Age	Hong Kong	...	4,406
Iscon	Do.	...	3,394
Itanboul	Do.	...	6,498
Fow Tsam	Shanghai	...	8,590
Princess Royal	Do.	...	7,480
Lodiansah	Do.	...	4,256
Lord Lyndhurst	Hong Kong	...	11,644
Zingara	Shanghai	...	2,635
Chryseis	Do.	...	2,150
Young England	Do.	...	5,384
Nonpareil	Do.	...	6,500
Offor	Hong Kong	...	1,618
Amazon	Do.	...	2,658
Royal George	Shanghai	...	3,407
General Putnam	Do.	...	8,106
Esmeralda	Hong Kong	...	3,560
Solway	Shanghai	...	7,173
London	Do.	...	6,272
Montgomery	Do.	...	4,260
Lamietruai	Do. (lost)	...	6,630

TO THE CONTINENT.						
	Cassia Piculs.	Anised O.I. Boxes.	Camphor Piculs.	Preserves Boxes.	Galingal Piculs.	Crackers Boxes.
From June 1, to Dec. 31, 1863	3059	...	...	350	100	...

TO THE UNITED STATES.						
	Crackers Boxes.	Matting Rolls.	Fans Boxes.	Cassia Piculs.	Silk Pon-gees Piculs.	Wool Piculs.
From June 1, to Dec. 31, 1863	32130	12502	1340	1350	...	836

TO SAN FRANCISCO.

	Emigrants Number.	Sugar Piculs.	Rice Piculs.	Crackers Boxes.	Matting Rolls.	Opium Prepared Tails.
From June 1, to Dec. 31, 1863	706	2534	85248	7427	4740	151640

TO AUSTRALIA.

	Emigrants Number.	Sugar Piculs.	Oil Piculs.	Matting Rolls.	Prepared Opium Tails.	Crackers Boxes.
From June 1, to Dec. 31, 1863	6	2737	2737	2318	23400	...

The picul is 133½ lbs. weight; the tael at Shanghai is equal to 1 dollar and 40 cents and is divided into decimal parts of ten.

EXCHANGES ON LONDON.
(For dates, see first page.)

	Bank.	Private.
At Shanghai (per Tael) . . . 6 months sight.	7s. 0d. to 7s. 2d.	...
At Foo-chow-Foo (per dol.) . . 6 ditto	...	...
At Canton . . . 6 ditto	5s. 0d. to 5s. 0½d.	...
At Hong Kong . . . 6 ditto	4s. 11d. to 4s. 11½d.	5s. 0d. to 5s. 1d.
At Macao . . . 6 ditto	4s. 8d.	4s. 8d. to 4s. 9d.
At Singapore . . . 6 ditto	...	...
At Manila . . . 6 ditto	...	...

FREIGHTS.—At Shanghai to London, £4. 10s. to £5; at Foo-chow, £5; at Hong Kong, £4. 5s. to £4. 10s.

SHIPPING INTELLIGENCE.

ARRIVALS.

At SHANGHAI.—From London: Jan. 10, Victory. From Liverpool: Jan. 9, Blackburn and Express. From Sunderland: Jan. 9, Mercator. From Cardiff: Jan. 10, Thomas and Rebecca; 12, Berlie. From Boston: Jan. 5, Madge.

At HONG KONG.—From London: Jan. 21, Queen's Own. From Shields: Jan. 16, Vanguard. From Newcastle: Jan. 15, Hydra. From Hamburg: Jan. 21, Johann Anton. From Boston: Jan. 14, Avon. From New York: Jan. 23, Albers.

At SINGAPORE.—From Liverpool: Jan. 26, Agra. From Cherbourg: 21, H.I.M.'s steamer L'Sarthe.

DEPARTURES.

From SHANGHAI.—For London: Jan. 10, Victory; 9, Sappho; 11, Sir Harry Parkes; 12, Lansdowne; 13, Egmont; 18, Fairleader; 19, Bithona. For Liverpool: Jan. 18, Spirit of the Times, Velox. For New York: Jan. 12, Thetis; 14, Kate Carney. For Montreal: 12, Asia; 13, Tycoon.

From Foo-chow.—For London: Jan. 5, Albrecht, Oswald. From Hong Kong.—For Liverpool: Jan. 15, Koh-i-Noor; 19, Cornelia Hendrika.

LOADING.

At SHANGHAI.—For London: Aurora, Australia, Stornaway, Thomas Dryden, Wagona. For Liverpool: Antelope, Blackburn, Polmaise, Ralston, Thomas Royden. For New York: Lettice, Catharine, Lord Collingwood, Silvercraig.

At Foo-chow.—For London: Weymouth, Stuart Wortley, Herald, Pakwan. For New York: Santon.

At HONG KONG.—For London: Alchemist. For Liverpool: Annie Duthie, Beila, Constantia, Dolfyn, Isabella Hercus, J. L. Dimmock, Nancy Bryson, Norwood. For New York: Resolute.

At MACAO.—For Havana: Carrington and Sarah Chase (American).

At SINGAPORE.—For London: Early Dawn, Eliza Thornton. For New York: Rudolph. For Boston: Pearl.

CASUALTIES.

The ship Vanguard, sailed from Shields on September 12, 1863, wishes the following report inserted:—"Was detained in Channel by strong westerly gales to the 23th; after which had very light winds; crossed the equator October 22, long. 30 W. From November 9 to 29 experienced some heavy gales with a high sea. Split several sails, lost bulwarks and other damage. Dec. 27 entered the North Pacific via Ombay and Gellolo; encountered very light winds, calms, and 204 miles contrary current to January 8, when strong gales commenced, and at 9 A.M., lat. 10 N., long. 130, 20 E., a heavy sea struck the starboard bow, which did considerable damage. From the above date and position to the 12th, when we reached the north end of Luzon, we had very heavy weather, with high confused sea, and the wind very scant. Fine weather succeeded, and we reached this port last night."

Report of the British barque Queen's Own, from London to Hong Kong. Left the Downs July 7th; experienced light winds to the Cape of Good Hope, when had heavy gales and contrary winds to Anjer, Nov. 4th; and since then has had a continuation of gales, having been 78 days from Anjer to Hong Kong. Nov. 3rd, in Straits of Sunda, spoke the Kdinburg, from Shanghai 68 days out; the Queen of the Age, from Shanghai 75 days out; Altona, from Shanghai, 70 days out. Nov. 18th, in the Straits of Banca, spoke the Broadwater, from Yokohama to London, and the Minden, from Manila to London, Nov. 7th.

HONG KONG.

The schooner Pearl, Captain Harrison, from Hong Kong, bound to Ningpo, put back disabled. She fell in with a heavy gale off S, end of

Formosa, when the sea carried away the rudder; starting a leak under the counter; hove in the starboard boat, causing considerable other damage. Put back to Tungao Roads, steering with a water cask over the stern, when managed to rig a temporary rudder, and arrived in Hong Kong, 19th.

SHANGHAI.

The British barque *Glendover*, from Sunderland. May 10th. left Sunderland; first part of passage had very fine weather; July 12th off the Cape; touched at Anjer Aug. 26th; Sept. 20th experienced a very severe typhoon near Paracels; 28th cargo shifted, compelled to cut away main and mizen masts; 8th Oct. arrived at Hong Kong—foremast badly sprung, refitted, and left 8th Dec.; experienced heavy N.W. gales the whole passage; arrived at Wusung 11th Jan.

Victory, from London, when off Lucania, picked up twelve Chinese from a sinking junk that had been robbed and set on fire. Passengers: Dr. Tennent, wife, and child, and Mr. Middleton.

COMMERCIAL POSTSCRIPT.

Sales of bar silver at 61½d.; Mexican dollars 64½d.

According to the *Telegraphic Journal*, intelligence has been received, dated Mussendar, Feb. 9, of the successful submergence of 359 miles of cable in the Persian Gulf, and also of the safe arrival of the *Assaye* and *Tweed*. The cable was in perfect working order.

ARRIVALS NOT INCLUDED IN THE TABLES.—March 1, off Dungeness, from Sourabaya, *Batavia*; from *Batavia*, *Jacoba Cornelia*; 2, *Tagal*, Jan Daniel; 4, at Plymouth, from *Batavia*, L. A. Bang; 5, at Deal, from Shanghai, *Jas. Vinicombe*; in Channel, from *Batavia*, *Burgermeester v. Middelburg*; off Cape Clear, from Borneo, *Zambesi*; Jan. 19, at Buenos Ayres, from Hong Kong, *Banda*; March 6, at Deal, from Singapore, *Latona*; 7, from Shanghai, *Edinburgh*; 5, from Shanghai, *Spirit of the Deep*; 7, off Liverpool, from China, *Isabella Ridley*; 6, at Deal, from Hong Kong, *Ocean Bride*.

DEPARTURES.—March 4, from Shields, for Shanghai, *Cœur de Lion*, *Crusader*; Jan. 18, from Monte Video, for *Batavia*, *Johann Heinrich*. From New York, Feb. 9, *Kiu-kiang* (str.), for Shanghai, and *Leopoldum Bauer* (Aust.), for Shanghai.

At St. Vincent, C.V.—Jan 30, *Tun Sin* (str.), Rowe, from London, and left Feb. 2 for China.

SPOKEN.—Nippon, Shanghai to Liverpool, Dec. 27, 32 S., 48 E.; *Corea*, London to China, Feb. 16, 46 N., 12 W.; *Electric*, Singapore to Liverpool, Jan. 8, 35 S., 17 E.

Laid on.—At London, for Amoy and Foo-chow-Poo: *Rubicon*.

Lisbon, March 1.—The *Wild Deer*, Cobb, from Liverpool for Shanghai, which put in here Feb. 27, with considerable damage to masts, spars, sails, &c., will have to unship her foremast (an iron one, and the head thereof being much damaged) for examination, and to repair it if possible in order to make it efficient, otherwise it must be replaced by a wooden one.

The *J. C. Munro*, from Japan to London, was totally lost, Nov. 1, on *Irabas Shoal*.

THE ANGLO-CHINESE FLEET.

CORRESPONDENCE RESPECTING THE FITTING OUT, DESPATCHING TO CHINA, AND ULTIMATE WITHDRAWAL OF THE ANGLO-CHINESE FLEET UNDER THE COMMAND OF CAPTAIN SHERARD OSBORN, C.B.; AND THE DISMISSAL OF MR. H. N. LAY, C.B.

SUCH is the title of a Parliamentary paper just published. To some extent the contents have been already given in our issue of the 19th Jan., taken from *The Times*. The total number of despatches is twenty-six. From No. 1 to No. 6 the letters are confined to the request of Mr. LAY that the flag to be adopted by the force shall be described in the *London Gazette*, and recognised by Her Majesty's Government at home and abroad. Mr. LAY addressed Earl Russell, and his lordship handed on the same to the Admiralty, who, it appears, shirked the announcement in the *Gazette*, but said the flag had been duly recorded. No. 7, dated 2nd Sept., 1862, is from Earl Russell to Mr. Bruce, forwarding the QUEEN's order in Council authorising Captain OSBORN and Mr. LAY to equip the vessels. No. 8, of 10th Sept., is from Earl Russell, asking Mr. LAY to produce written authority from the Chinese Government. Considering that prior to this the order in Council was passed, it is pretty clear that this important point had been overlooked. No. 9 encloses copy of No. 8 to Sir F. BRUCE. No. 10 is the reply of Mr. LAY, as follows:—

With reference to Earl Russell's desire that I should obtain a written authority from the Chinese Government for the steps I am taking to provide it with naval assistance, I have the honour to state that I hold such written authority, dated the 14th March, 1862, from my *locum tenens*, Mr. Hart, to purchase and equip a steam fleet, in accordance with instructions from the Imperial Government. I have since received regular remittances from the foreign Customs for that purpose, by direction of Prince Kung. I may add, for his lordship's information, that on the 28th June last, I received, through Mr. Hart, a despatch from the Chinese Foreign-office relative to the proposed fleet. This despatch prays the Inspector-General of Customs in earnest terms to use the utmost despatch in procuring the vessels. It repeats the instructions issued to the Governors of various provinces as to the amounts to be contributed by them towards the cost of the fleet; refers to the Emperor's anxiety that no time should be lost; and closes with a second earnest appeal to the Inspector-General for these reasons "not to lose a day." With respect to the flag for the fleet, I have written for precise authority. As soon as I receive it, I will not fail to apprise Earl Russell of the fact.—I have, &c.,

(Signed)

H. N. LAY.

It will be observed that this authority is rather slight on second-hand, considering the importance of the matter in hand. Our Government must have put entire confidence in Capt. OSBORN using the war vessels discreetly. Nos. 11 to 14 again discuss the flag question; No. 15, from Capt. OSBORN to Earl Russell, encloses the correspondence which we gave in our issue of the 19th Jan., and which number in all eleven despatches, and concludes with the address of Capt. OSBORN to his officers and their reply, which is not included in the Parliamentary papers. No. 16 is from the Foreign-office to the Admiralty, requesting their superintendence of the sale of the vessels on arrival in England, with a view to prevent them falling into the hands of the Confederates or other belligerents; No. 17 is from Earl Russell to Sir F. BRUCE, enclosing copy of above. No. 18 is from the Admiralty to the Foreign-office, enclosing copy of a letter from Capt. OSBORN, announcing that the fleet would leave China for India and England. No. 19 is from Mr. LAY to Earl Russell, in which he tells his own story as follows:—

Peking, November 10, 1863.

MY LORD.—The present mail conveys to your Lordship the papers having reference to the dissolution of the naval force which Captain OSBORN and myself were empowered by Her Majesty's Order in Council to organise for the Emperor of China. And I gladly avail myself of the privilege your Lordship kindly accorded me, to submit to you some account of my proceedings in this country in regard thereto.

On my arrival in Peking, on the 1st of June last, I placed the agreements which I had entered into, under his letter of instructions of the 20th October, 1862, into the hands of the Prince of Kung.

These consisted of:—

1. The agreement between myself, as agent for the Emperor of China, and the officers and crews of the vessels, to which were appended certain regulations for the discipline of the force organised.

2. The agreement between Captain OSBORN and myself, which embodied the principles we had laid down for the government of our conduct in this country.

This was framed so as to insure Captain OSBORN a proper position; and to provide against his being placed upon a footing with the filibusters in the employ of the Chinese local authorities.

We were careful to guard against the possible mis-employment of the force by the Emperor, by my engaging to be the medium of all instructions to Captain OSBORN; and to prevent orders being at any time issued to him at variance with treaties or international obligations, I promised (as is the case in my own department) to refuse to convey instructions of the reasonableness of which I was not satisfied.

Pains were taken to make this agreement stringent in its terms, for my experience made me mindful of the defect in the Chinese character, falsity and bad faith; and I felt that unless the Emperor were securely bound by conditions of the above nature, which he would have to ratify before the flotilla could be called upon to act, any obligations that might be entered into on his behalf would share the fate of all Chinese engagements, whenever it becomes convenient or safe to repudiate them.

The serious responsibilities which I incurred in entering upon the undertaking at all made it incumbent on me, in the exercise of common prudence, to adopt every precaution against the possible misbehaviour in time to come of the Chinese Government. And upon no other conditions than those laid down would I have consented for one moment to become instrumental in procuring force of a formidable character for an Asiatic Power, knowing well that, unrestricted by any conditions, it would sooner or later be tempted to direct that force against our own interests or the interests of other European Powers, leading to complications in which Captain OSBORN and I would certainly be sacrificed.

When I presented the agreements for formal ratification, the "Foreign Board" (Prince Kung, it seems, has ceased for a year past to occupy himself with the details of foreign affairs) suggested modification of the terms of my agreement with Captain OSBORN. I referred to the Prince's letter of authority to me, which, I observed, had been written upon a draft sent out from England by me for his signature; in that letter he had given me explicit authority to arrange on his behalf the terms of all agreements; under it I had arranged the only terms upon which I could obtain the sanction, in the first place, of my own Government, and in the second the services of officers of proper standing; and by it the Prince must be held bound.

I may mention to your Lordship, that before I acted upon that letter, I took the precaution to fortify myself with a legal opinion, which pronounced it sufficient to warrant my entering into all terms and conditions.

The Board said the Prince would ratify the agreements if I would consent to Captain OSBORN's being placed under the orders of the local authorities. I answered that this could not be entertained. Captain OSBORN had permission to serve the Emperor of China only, and could receive orders only from Peking.

Thus the matter stood until Captain OSBORN's arrival in September. Satisfactory financial arrangements for the maintenance of the force were made in the meantime, the Board taking it for granted that the money question would be the only one which would be considered of real importance by us.

When Captain OSBORN arrived, we lost no time in explaining jointly that the proposal to place him under the orders of the local Mandarins was inadmissible. The Board tried hard to persuade us to yield the point, but finding us firm, declared at length that the Prince would in that case decline to ratify the agreements.

I asked repeatedly that this decision might be communicated in writing, but in vain. The Prince had skillfully ignored his letter of instructions throughout, and had left the letter, in which I had drawn his attention to the important clauses of the agreement, unacknowledged.

We informed the Foreign Board that if the Prince refused to ratify, the force must be disbanded.

The matter was then placed, with all the correspondence connected with it, in the hands of Sir F. Bruce, from whom, as your Lordship will receive a report of the subsequent proceedings, I forbear trespassing upon your time by referring to them here.

I think that the motives which have influenced Prince Kung to repudiate the agreements entered into under his written authority may be easily explained. When he ordered the steam flotilla the Government had not yet recovered the effects of our last expedition. A vague feeling of alarm as to the future prevailed; the recent progress of the rebels had been rapid; no less than four of the open ports, Canton, Foochow, Ningpo, and Shanghai, were in danger of capture; the Government was beset with appeals from the foreign Ministers for action, and was, in short, told that if it did not make an effort we should have to treat with the rebels.

The Prince was therefore ready to do anything, and while in this mood signed the letter of instructions to me.

In the meantime, however, under the auspices of Admiral Hope and General Staveley, the Government obtained, through the local authorities, all the aid that it needed. Officers were lent; guns and ammunition supplied; and before my return Ningpo was recovered, the other ports secured against attack, and the rebels driven back within the walls of Soochow.

The Chinese Government found itself relieved of its embarrassments in a manner most acceptable to it; the local Mandarins obtained the services of as many officers and men as were necessary, upon the simple terms of so many dollars a month, without guarantees or agreements of any kind; the Government was not required to give a single pledge or to incur any responsibilities.

When, therefore, the terms upon which the naval force had been organized were submitted for ratification, it was not strange that they should be pronounced unacceptable. The Chinese Government naturally prefers unconditional aid, to aid fettered by restrictions. My aim has been to make reform and progress the condition of aid. It is only thus, I believe, that aid can lead to any good in China, or that we are justified in affording it.

The military assistance, as at present rendered at Shanghai, is under the irresponsible control of the local Mandarins, and will, I apprehend, be found attended with troublesome, if not serious consequences. My observation, after five months' residence in Peking, leads me to doubt altogether the sincerity of Prince Kung's friendly professions, and my belief is that the anti-foreign party is gaining strength daily.

In Sir F. Bruce's despatches, advocating the formation of this naval force, he coupled the reformed administration of the Customs with the promised re-organisation of the executive forces of the empire. To have passed the naval force into the hands of the local authorities would have been to destroy all hope of improvement in any direction. As soon as it had served its purpose of slaughter, it would have been thrown aside.

With Sir F. Bruce, I had hoped that Her Majesty's Government would have been relieved, by means of this flotilla, of the expense of maintaining order at the open ports; and that the Chinese Customs' establishment would have been furnished with the necessary support to enable it to contend against the hostility of European evil-doers, and to render it independent of the local authorities, whose interest it is to restore the former corrupt state of things.

Disappointing as the dissolution of the force must be to all concerned, I feel that no one has greater cause than I of complaint against Prince Kung. Obligated to return to England by ill-health, induced by wounds and years of toil in the Chinese service, I sacrificed my leisure while in England to his service. My proposals on his behalf were well received in England, and met with the kindest support of Her Majesty's Government. On my arrival here, the Prince treated the whole matter with assumed indifference, and fancying that we had gone too far to withdraw, and that from the number of Europeans in Chinese employ ready to serve upon his terms he was independent of Captain Osborn, he attempted to impose his own conditions.

Although our hopes have not been realized, I have at any rate the consolation of feeling that we have not broken a single pledge made in England, and that the refusal of the force placed at the disposal of the Chinese Government, through the generosity of Her Majesty's Government, is an act for which Prince Kung and his colleagues are alone responsible.—I have, &c., (Signed) H. N. LAY.

No. 20 acknowledges the above. No. 21 is from Sir F. Bruce to Earl Russell, and briefly announces that Prince Kung refused to ratify the agreement which Mr. Lay made with Capt. Osborn. No. 22 acknowledges receipt of this. No. 23 is from Sir F. Bruce to Earl Russell, as follows:—

Peking, Nov. 19, 1863.

MY LORD,—I have the honour to enclose copies of various documents, forwarded to me by Captain Osborn, on the refusal of the Chinese Government to agree to the conditions on which alone he had consented to organise a steam flotilla for the service of the Emperor of China.

Also, of my correspondence with the Chinese Government and with Captain Osborn on the disposal of these war-vessels, and on the arrangement, ultimately agreed on, for sending them and the officers and men to England.

In order to understand clearly what has taken place, it must be borne in mind that though the flotilla sailed in winter from England to China, it was not until Mr. Lay arrived here in the spring that the Chinese Government had any intimation of the composition of the force, of the cost of its maintenance, or of the contents and scope of the undertaking entered into by Mr. Lay with Captain Osborn; I must call your lordship's attention to the latter document, as the refusal of the Chinese to ratify it has proved fatal to the success of the scheme.

Mr. Lay proceeded at once to urge on this Government the necessity of conferring upon himself and Captain Osborn the authority he had engaged in his undertaking to procure. His recent arrival from Europe, the honours conferred upon him by Her Majesty, and his acquaintance

with men of influence and standing, enabled him to assume, in dealing with the Chinese Government, rather the dictatorial tone of an independent authority than the language of persuasion appropriate to the agent of the Government he was addressing. His hopes of success were strengthened by the reserved attitude of the Ministers of the Treaty Powers, all of whom, on different grounds, had reason to be dissatisfied with the dilatory proceedings of this Government, in granting redress for illegal acts committed by the local authorities. The Prince and his advisers were thus led to infer that a scheme which had promised to strengthen the hands of the central Government, as against provincial influences, could not fail to be acceptable to foreign Ministers, as being a step towards that policy of centralisation which they had always advocated, and that a feeling existed in their minds that the difficulties encountered by Mr. Lay were attributable to retrograde views.

So far, therefore, as foreign influences were concerned, Mr. Lay was more favoured by events than he could have reasonably expected, considering the exclusive composition of the force and the jealousies which, in this respect, it was fitted to awaken. I can state positively that nothing fell from the foreign Ministers calculated to thwart him in his attempts to obtain the ratification of these agreements, and that his failure is due to the spontaneous resolution of the Chinese themselves; their motives being the opposition of the provincial authorities; the reluctance of the Chinese Government to assume the responsibility of directing the force instead of leaving it to be directed by local governors; and, above all, the alarm and suspicion engendered in their minds by the proposals contained in the understanding entered into by Mr. Lay and Captain Osborn, by which they considered that the exclusive control of the operations would be vested in Mr. Lay, who would thus be enabled, indirectly, to compel them to act in all matters in subservience to his will.

Mr. Lay injudiciously, in my opinion, held language and advanced pretensions which tended to increase their apprehensions in this respect. He proposed that they should give him a "Foo" to reside in, that is to say, one of the palaces conferred by the Emperor on princes of the blood, such as those inhabited by the Ministers of England and France; a class of building which the highest officers of the Chinese Government are not permitted to inhabit. He acted as if he held the independent position of head of a great revenue department, which put him on an equality with Wensiang and the superior members of the foreign board, and as, therefore, only accountable to the Prince of Kung, the Vice-Regent of the empire. The members of the foreign board could obtain from him no specific statement, or account, of the sums expended by him, or anything beyond vague assurances that the money had been rightly spent, and would be accounted for in due time, and he insisted on the dismissal of the two Chinese superintendents, placed by this Government at the head of the Customs department, and the appointment of himself as sole director and recipient of the foreign Customs revenue, amounting already to about £3,000,000 sterling, with a fair prospect of increase. In fact, it is impossible to doubt that Mr. Lay, full of large schemes of progress and commercial development in China, desirous of arriving at immediate results, and conscious that the course of improvement will be both uncertain and slow if depending solely on the influence which events and persuasion combined may gradually exercise in the Chinese mind, aimed at solving the difficulty by obtaining the sole command of the most certain source of the Imperial revenue, and of the most efficient branch of its executive. Armed with this power he hoped by threats of suspending the action of the flotilla, and of withholding the funds, that the Chinese Government would be compelled to adopt such measures as he should propose. He was to dictate the policy to be pursued; it was to be promulgated to the Empire by Imperial decree; and to be executed by the flotilla and such land forces as might be required, the expenses of which were to be provided for out of the Customs revenues.

I believe I am correct in assuming that an article in *Blackwood's Magazine* of January, 1863, entitled "Progress in China," contains a statement of the results anticipated by those who promote this course of policy, and I concur with Mr. Lay in thinking that nothing short of a dictatorship, lodged in European hands, and so supported by foreign influence as to render the Chinese powerless to defeat or thwart it by intrigue or opposition, would enable its supporters to realise the promises it holds out. Even thus, looking to the reluctance of the Chinese Government, and the determined hostility of provincial authorities, this scheme could not have been successfully carried out.

The Chinese Government, however, comprehended at once the scope and bearing of this scheme, and look upon it as an insidious attempt to take the administration out of their hands. They were unacquainted with Mr. Lay, and employed him as their agent for the purchase of ships and hiring of men at Mr. Hart's suggestion, who recommended him as a person on whom they might rely, and who, being in England, could carry out their wishes in a satisfactory and economical manner. They had no such special confidence in him as would have induced them to put themselves in his hands. They do not look upon the Inspector-General as anything more than a subordinate officer in their employ, to whom a general superintendence is given over the foreigners engaged to aid in the collection of the Customs revenue on foreign trade, but on whom no control is bestowed over the application of the receipts. They do not consider him as a political officer at all, nor do they consult him as of right even in questions affecting foreign trade. It was only at my invitation, and contrary to the intentions of the Chinese Government, that Mr. Hart was able, two years ago, to come up to Peking, and it was only by his tact, good sense, and modesty that he obtained access to the Prince of Kung, and turned to useful account the favourable impression he made upon his Imperial Highness and his advisers. It is a significant mark of the light in which they view Mr. Lay's pretensions that he was never admitted to the Prince's presence during these months of discussion. Indeed, he would not have seen him at all had I not requested an interview with the Prince, which he anticipated would be of a disagreeable character. To forestall any remark I might make on his not having seen Mr. Lay, he sent for him in the morning, and had a few minutes' conversation with him on indifferent matters.

If the hope, therefore, was entertained in any quarter that Mr. Lay enjoyed, either on account of his personal merits, or in virtue of his office, any such influence over the Chinese Government as would enable him to carry out the views he entertained with their concurrence and assent, it

was founded on an entire misapprehension of his position, and of their feelings towards their foreign *employés*. They looked upon him as an agent for a special purpose, whose authority was limited to a purchase of ships and to the engaging of men to bring them out. They certainly did not contemplate conferring upon him any authority to tie up their hands for years as to the manning of these vessels, still less that he should take upon himself to determine, at his will, how the operations of the ships were to be directed, and under whose immediate orders they were to be placed; and they were totally indisposed to alter the character of the office he bears, to give to him, or to any foreigner, a leading part in the administration of the Government, or to invest him with any control over the Customs revenues, except in so far as was required to meet the expenditure of the foreign part of the establishment. They are profoundly irritated, not only because of the embarrassments in which they are involved by his having exceeded his authority, but on account of the position he thus sought to create for himself. They attribute his conduct to personal motives, and their confidence in the good faith of foreign agents has been most seriously shaken.

After much discussion the enclosed paper was drawn up by the Chinese Government, and in order to mark that they could go no further, it was invested with the form of an Imperial decree, the form they adopt when discussion is closed. Whether, as they assert, they understood Mr. Lay to acquiesce in this arrangement or not I am unable to determine, and it is of little consequence, as it remained with Captain Osborn to decide how far he would consent to the modification of his understanding with Mr. Lay.

That officer shortly afterwards reached Peking. During his voyage up the coast incidents were not wanting to show him that his position would be one of more difficulty than he had been led to expect. He found that he would have to encounter the bitter opposition of a large section of the foreign communities, and the active hostility of the provincial authorities. Agents were employed at Shanghai to go on board his ships and to seduce his men, by offers of higher pay, if they would enter the service of the Governor of Keangsoo. He was obliged, in consequence, to discharge some of his men who became dissatisfied with the rates of pay assigned to them, and to remove his vessels up to Chefoo to prevent the disorganisation of his force. He felt that the efficiency of his squadron required not only that he should be freed from the control and interference of the provincial officers, but, further, that effectual steps should be taken to prevent them from offering employment to his men, otherwise his ships might be disabled at any moment. In addition to these difficulties in the provinces, he found, on his arrival at Peking, that the Chinese Government looked upon the flotilla as part of a scheme to place them in a position inconsistent with their dignity and independence of action, and therefore doubly indisposed to antagonise the provincial authorities in its behalf. He accordingly decided, after mature reflection, to abide by the terms of his understanding with Mr. Lay, and to call on the Chinese Government to declare whether they would ratify the agreement or not. On receiving a verbal refusal through Mr. Lay (no written communication having been addressed to him during the period of delay granted in his letter), Captain Osborn enclosed to me the documents with the accompanying letter. It was essential that a decision should be come to at once, as he held no commission, and his authority to enforce discipline among his men was liable to be called in question.

Thus far I had taken no part in the discussions between Mr. Lay and the Chinese Government. Indeed, I studiously avoided expressing any opinion on the proposals made to them, for I felt much embarrassed as to the answer I should be compelled to give if the Chinese Government put the question to me, Are we bound to ratify this agreement against our convictions? I foresaw, also, that if I were to attempt to extort their assent against their will, the question would become a political one, for the Chinese would certainly have consulted the other foreign Ministers, and, in spite of their wish to act with me in a friendly and large spirit, I could not expect their support in any attempt to impose this scheme upon them by menace. I therefore resolved to leave the matter to be arranged, if possible, by the Chinese themselves with their agent and Captain Osborn, and to protract, in the interest of the scheme, the suspense in which they were held as to my opinion and intentions.

During this period I had two interviews with the foreign board. In neither did they allude to the flotilla, and I imitated their reserve. Our conversation turned on the dangers arising from the employment of foreign adventurers by the local governors, and on the impossibility of foreign officers of character being induced to serve the Chinese by land or sea, unless they held formal commissions from the central Government, and unless they were secured against the caprice and jealousy of the provincial authorities. In fact, this was the line of observation most likely to induce the Government to accede to Captain Osborn's terms; for if they and the provincial governors had felt convinced that they would be deprived of the foreign element which has gained for them all their late successes near Shanghai, and would have to rely on purely Chinese resources, they would have had a strong inducement to agree for the moment to the conditions proposed.

So long as Governors can obtain on their own terms foreign officers and steamers offered by foreigners sufficient to repel the insurgents, it is idle to expect that the Government at Peking will undertake the organisation of an Imperial force either on land or on the sea, and thereby relieve local governors from the responsibility of maintaining tranquillity in their provinces, which is the established principle of Chinese administration. Of their reluctance to make this change in their system, we have abundant proof in the abandonment of foreign drill at Tien-tsin, in their refusal to engage, under contract, French drill instructors, or to accept the gratuitous services of officers whom the Russian Government offered to lend them for that purpose.

It was now, however, incumbent on me to interfere directly, and the first step I took was to inform the Chinese Government that I could not consent to hand over the ships to them without instructions from Her Majesty's Government. My reasons for taking the step were, that the ships were held as security by Captain Osborn for fulfilment of the terms agreed on by the men; that the latter were entitled to be sent home, and that it was not quite clear whether they were to be paid up to the time of their arrival in England or up to the 31st of August next. Moreover, these

ships are not of a kind that the Chinese could manage, or that it would be safe to put in the hands of the class of foreigners who are on board the small steamers bought by the Governor of Kiangsoo (about ten in number), and which have proved so efficient in the operations near Soochow. On the other hand, it would not be safe to sell them on the coast, as they might fall into the hands of hostile Daimios in Japan, or be bought for employment as Confederate cruisers in these seas. The enclosed copy of a despatch from the Minister of the United States will show that he was alive to this danger; and I may add that M. Berthemy was equally of opinion that the flotilla should not be given up, as there was no means of guaranteeing to what purposes the ships might be turned. It struck me, also, that if the Chinese found that they could not have the ships without ratifying the agreements, they might, perhaps, be induced to reconsider their decision; and in order to throw away no chance of inducing them to accept the flotilla, and to put myself in as good a position as possible to deal with the pecuniary difficulties that would ensue from its rejection, I took advantage of the Prince's reluctance to face an unpleasant discussion, and declined the interview proposed by Wensiang unless the Prince were present.

Having sent me the enclosed despatch, they sought an interview with the Minister of the United States, Mr. Burlingame, upon whose friendly desire to arrange matters satisfactorily I could thoroughly rely. Before entering into the subject, he required them to state, distinctly, whether they had definitively resolved not to ratify the agreements entered into with Captain Osborn. They replied in the affirmative, adding that it was impossible for them, in the face of opinion in China, to take the direction of the flotilla out of the hands of the local authorities, or to ratify conditions which, to use their own phrase, would deliver them over, bound hand and foot, to Mr. Lay.

Mr. Burlingame, in three protracted interviews, argued the question at great length, in order to ascertain whether any feasible scheme could be hit upon which would meet their objections and enable the flotilla to act; but finding that the points on which they differed with Captain Osborn were such as to render a compromise impracticable, Mr. Burlingame advised them to state their reasons fully for not ratifying the agreement, to thank Her Majesty's Government and Captain Osborn for what had been done in their behalf, and to request me to have the vessels returned to England under Captain Osborn, to be there sold, the proceeds, after discharging all liabilities, to be remitted to the Chinese Government. This advice was followed to the letter, as your lordship will see by the enclosed despatch; and the Chinese, of their own accord, and without a suggestion from anyone, added that they wished Captain Osborn to accept 10,000 taels (£3,300) in consideration of the labour entailed upon him by this flotilla. To this letter I returned the reply of which copy is enclosed.

I think the arrangement proposed, in consequence of which the vessels are to leave China at once, is more advantageous to all parties than the one I originally suggested, for expense is thereby avoided, and the danger obviated of keeping a large number of men on the coast in a state of idleness, and subject to no sufficient authority, during the period that must have elapsed before instructions from England could have been received. Captain Osborn takes two vessels to India in the hopes of disposing of them there, and the rest will sail for England as soon as the necessary arrangements are made.

I cannot express too strongly my sense of the friendly and valuable assistance rendered by Mr. Burlingame in bringing about an arrangement which provided satisfactorily for all the interests concerned, and in such a manner as not to compromise those friendly relations which I am so anxious to maintain with this Government; and I think this incident illustrates the importance of adhering, in China, strictly to a just and fair line of policy. The belief that I, as British Minister, would respect the rights of the Chinese, and that I would not force the flotilla upon them from selfish political considerations, induced my colleagues to abstain from interfering while the question was under discussion, and thereby secured for the flotilla a deliberate and unfettered consideration on the part of the Chinese Government; and I am certain that this course was more favourable to the success of the scheme, had success been possible, than any other that could have been adopted. It appeared to me, also, that I should not have been justified in taking a more active part, for I had reason to believe that your lordship had no cognizance of the undertaking of so novel a character entered into by Mr. Lay with Captain Osborn; and the absence of instructions was to me a significant proof that Her Majesty's Government had no intention of being a party to, or responsible for, the arrangements under which the operations of the flotilla were to be conducted. Had the Chinese voluntarily accepted the squadron, the onus of the difficulties it would have encountered would have rested on the Chinese Government; but the burden would have been thrown on Her Majesty's Government by the Chinese, and with justice, had it appeared that this flotilla, exclusively British in its character, directed by British officers and agents, and imposed by British pressure, was acting under a Chinese flag, which the Chinese Government, contrary to its wishes, had been compelled to hoist on board the ships.

Moreover, the Chinese Government has latterly shown its inability or indisposition to carry out the various suggestions I made for strengthening the central power, of which the flotilla is only one, and it was evident that there was no disposition on the part of the Chinese to incorporate it into their system, so as to subserve the general purposes of police and revenue; but that, if forced to accept it, they would have directed it against Nanking, and would then have left it to be disorganised by the illwill and intrigues of the provincial authorities. Putting aside the consideration that Her Majesty's Government would not have assisted in the formation of the force had this been the only object contemplated, I must observe that such a course would have been full of danger to our trade.

In fact, this flotilla ought to have been designed to carry out the revenue laws, and to assist in suppressing piracy. Less formidable and expensive vessels would have been sufficient for these purposes, and they would have been at the same time, though in a subordinate degree, of much use in assisting military operations. Whereas, a purely war squadron was provided, with officers who looked to *actions d'éclat*, and not to the disagreeable and prosaic task of stopping smugglers and robber-junks. And further, if it was considered necessary that the flotilla should be taken out of the hands

of the Government who paid for it, and the exclusive control over its operations vested in its foreign commander and the foreign agent employed in procuring it, these conditions, of so singular a nature, ought to have been submitted and agreed to before the vessels were allowed to sail for China.

I owe it to Captain Osborn to state that he has shown great sagacity in appreciating the situation, and the most honourable spirit in the course he has pursued. In spite of the great pecuniary advantages secured to him he would not consent to any compromise which might hereafter place him in a false position, or involve his country in embarrassment.

I have only to request your lordship's indulgent consideration amid so many difficulties, and to beg that Her Majesty's Government will enable me to redeem my pledge to the Chinese Government, and that every assistance may be given in the disposal of the ships and their armament, in order that the loss entailed upon them may be as light as possible.

(Signed) F. W. A. BRUCE.

In this letter are the following inclosures:—

THE PRINCE OF KUNG TO SIR F. BRUCE.
(Translation.)

Peking, Oct. 25, 1863.

The Prince has to acknowledge the receipt of the British Minister's despatch of the 20th instant, on the subject of the purchase of a steam flotilla and armament by the Chinese Government.

Inasmuch as the Chinese Government, of its own motion, authorised the Acting Inspector-General Hart to purchase (vessels), the Prince therefore did not trouble the British Minister with any particulars in regard to the matter; but as the Prince is now in receipt of a letter from the British Minister on the subject, it becomes His Highness's duty to put his Excellency in possession of the full particulars of the matter.

In the memorandum which Mr. Hart submitted in person to the members of the Foreign Board, last year, as to the officers, gunners, and crews of the steamers (it was proposed to purchase), he mentioned that it would be necessary to appoint a Chinese high officer to act with Captain Osborn in all matters connected with the control and management (of the fleet); he also mentioned that there should be selected 200 Chinese (Hoonan men), to serve as gunners; 200 Shantung men, as sailors; 100 Manchooks, as marines, and 50 Manchooks, to act as powder-monkeys. It appeared to the members of the Foreign Board, upon examination of his proposition, that it would be of advantage, and not injurious to China. It was not proposed that the people to be engaged for the steamers should consist wholly of foreigners, nor was there any intention of depriving the Chinese Government of the military authority. The Foreign Board, therefore, memorialised the throne, and received His Majesty's sanction and permission to carry out the proposal, and the Prince issued official instructions to Mr. Hart to proceed with the purchases, &c., in accordance with that sanction, stating clearly, moreover, in his letter, that it must rest with the Governors-General and Governors to appoint officers to the fleet.

Mr. Hart subsequently informed (the members of the Foreign Board) that, with reference to the purchase of vessels and guns, he had officially addressed the Inspector-General Lay, who was at that time in England, and had placed the whole matter in his hands, and that, therefore, it would be necessary for the Prince to issue to Mr. Lay a letter of authority to enable him to act.

The Foreign Board considering that it had Mr. Hart's memorandum before it, expected that, no matter who might be entrusted with the management of the affair by Mr. Hart, under the authority of the Chinese Government, he would still act in accordance with that memorandum. Mr. Hart afterwards informed the Board that his memorandum was only a general idea of the probable arrangement, and had reference only to the number of Chinese soldiers (to be employed); but that foreign officers, gunners, and crews, &c., would have to be engaged for service on board the vessels by Mr. Lay, to whom it would have likewise to be left to arrange the various agreements for the amounts of salaries, wages, &c., at the time of their engagement by him. The Foreign Board, considering that as the matter to be arranged remained the same, Mr. Hart having first been entrusted to proceed in the matter, and Mr. Lay afterwards having succeeded to the management, the mode of proceeding would, as a matter of course, not differ from Mr. Hart's original memorandum, accordingly prepared the letter of instructions to Mr. Lay, as Mr. Hart had suggested. Comparing that document with the letter which Mr. Lay, on his arrival in Peking, addressed to the Prince, inclosing an agreement in thirteen articles, it was found to differ very materially from Mr. Hart's memorandum. For instance, he proposed that all orders (to Captain Osborn) from His Majesty must pass through him (Mr. Lay), and that if conveyed through any other channel they could not be obeyed. As China would thus have spent several millions of revenue without obtaining an atom of power, his arguments (in support of the agreement) were rebutted, and in the place of it five other articles were drawn up, every sentence of which was discussed and settled in personal interviews with Mr. Lay and Mr. Hart, and without the slightest word to the contrary on their part. The money clauses for monthly expenditure were also one by one discussed and settled; and that being done the arrangements determined by the five articles and the money clauses were embodied in a memorial, and respectfully submitted to, and approved of, by His Majesty. Since that time all the moneys for monthly expenditure, and for purchase and equipment, have been regularly paid over according to agreement.

The regulations have been ratified, and large monthly payments made, it was expected that as soon as the vessels arrived they would accomplish their work, and that there would be no further discussion.

But now the Inspector-General, all at once turning his back on the Imperial decree, disobeys the five articles which had been discussed and settled in personal interviews, and had received the sanction of His Majesty, and brings up afresh the thirteen clauses which it was settled face to face should not be put in force, and insists upon their adoption. This agreement, in thirteen articles, is not only at variance with Mr. Hart's memorandum appended, but is different from the Prince's letters addressed to Mr. Lay and Mr. Hart, and is not in accordance with the intentions of his Highness when he gave his authority to Mr. Lay to enter into the various agreements, and hence the Foreign Board did not accede to the agreement in question.

Moreover, when it had been distinctly settled at the time in a personal interview that the five articles should be the rules of action, and when the Inspector-General had received a despatch announcing that these articles had been ratified by His Majesty, and when in accordance with these five articles he has already been paid over the money to cover expenses for, several months, how it is that he presumes to disobey an Imperial decree looking upon it as mere child's play?

The British Minister and Mr. Wade have on former occasions urged that Chinese military authority ought not to be delegated to foreigners. The principle for China and foreign countries is in this matter identical. And the Prince is still rejoiced to think of the surpassing discernment of the British Minister and Mr. Wade, of the justice and fairness of their remarks, and that they do not share the wish of the Inspector-General, who would insist upon imposing restrictions on the Chinese Government.

As the British Minister has addressed a despatch to the Prince on this subject, his Highness has not been able to avoid entering thus fully into particulars in his reply. If the British Minister will but weigh the matter impartially he will, without doubt, perceive plainly (the real state of the case, or, that the Chinese Government is in the right).

Inclosed are copies of Mr. Hart's memorandum of the letter of instructions to Mr. Hart, of the two letters to Mr. Lay, of Mr. Lay's letter to the Prince, inclosing the agreement, and a copy of the five articles discussed and agreed to in personal interviews with Mr. Lay; all which the Prince requests the British Minister carefully to peruse.

A necessary communication addressed to his Excellency Sir F. Bruce K.C.B., &c.

Tung-Chih, 2nd year, 9th month, 13th day (October 25th, 1863).

REGULATIONS PROPOSED BY MR. HART IN REGARD TO THE (CHINESE) OFFICERS, GUNNERS, SAILORS, &c., TO BE APPOINTED TO THE SEVEN STEAM-VESSELS.

1. An officer of high rank must be appointed to act with Sherard Osborn in all matters connected with the control and management of the fleet.

Seven additional officers (should) be appointed, the number to be added to hereafter as occasion may require.

These officers should not exceed thirty years of age.

2. Two hundred Hoonan men should be selected to serve as gunners. To be had at Hankow, as soon as the vessels arrive.

3. Two hundred Shantung men, to serve as sailors. To be had at Tung Chow as soon as the vessels arrive.

4. One hundred Manchooks as marines, and fifty Manchook boys, to serve as powder-monkeys. To be had at Tientsin as soon as the vessels arrive.

The gunners, sailors, and marines must be selected between the ages of eighteen and thirty; the boys between the ages of fourteen and eighteen.

Several cooks will also be required on board each ship.

Of the seven vessels, it is probable that four will be large, and three small. Each large ship ought to have on board about forty gunners, forty sailors, twenty marines, and ten boys. Each small ship ought to have about ten gunners, ten sailors, ten marines, and three or four boys.

It is absolutely necessary that all the men appointed to serve on board the vessels should be strong and healthy.

The above is only a general idea of the probable arrangement. What the actual arrangement will be can only be known when the vessels arrive.

INSTRUCTIONS FROM CHINESE FOREIGN BOARD TO MR. HART.

(Translation.)

Peking, February 1, 1862.

The Foreign Board gives urgent instructions to Acting-Inspector-General Hart.

Mr. Hart stated, in a despatch received some time ago by this Board, that, after his arrival at Shanghai, he had had an interview with his Excellency Sieh (then Governor of Kiangsoo) on the subject of the purchase of foreign ships and guns, who had said that, if no more than 800,000 taels were wanted, the getting of the money would be a matter of no difficulty; and that if the Foreign Board in Peking would give an order on the subject, the Shanghai Customs could, within a period of four months, easily provide at least 200,000 taels.

Mr. Hart himself suggested that it would be sufficient if the Shanghai and the Canton Customs were each required to provide 200,000 taels: Foo-chow, 100,000 taels; and Amoy and Ningpo each 50,000 taels.

The Foreign Board thereupon wrote to his Excellency Sieh, to arrange the matter as proposed. This is all on record. But as there is at present a most urgent need for the guns and arms, on account of the recent loss in succession of Ningpo and Hangchow, in the Province of Che-Kiang, this Board has obtained from His Majesty a decree, commanding the Governor of Kiang-Soo, in conjunction with the Superintendents of Customs at Canton and Foochow, to provide funds immediately for the line of foreign steamers, and to commission officers to proceed with these, when procured, to the port of Ningpo, to cut off the escape of the rebels; and also commanding the Governors-General and Governors of Kwan-tung and Fu-kien to hire steamers for the same purpose. This Board has now to instruct Mr. Hart to lose no time in consulting with his Excellency Sieh on the immediate carrying out of these projects. Let there be no further delay when the steamers have been procured and equipped with arms, either of their Excellencies Sieh or Tseng (Governor-General of the Two Keang) will appoint officers to proceed in the vessels, first to Ningpo to oppose and exterminate the rebels, and after that place has been recovered to clear the river and go right at Nanking. With such steamers as these will be we may hope in a given time to see that little plague extinguished. As it is feared that the land-route is not at present quite free and open, a duplicate copy of this despatch is being sent by steamer.

Tung Chih, 1st year, 1st month, 2nd day (February 1st, 1862).

MR. LAY TO THE PRINCE OF KUNG.

(Translation.)

June 29, 1863.

Sir,—I have the honour to acknowledge the receipt, on the 15th of January, 1863, of the letter of instructions furnished to me by your Imperial Highness, and to report that, in conformity therewith, I engaged in England Captain Sherard Osborn to act as Commander-in-Chief of the naval force there organised; and that in accordance with your instructions

in which you drew my attention to the three important matters, namely, the purchase of vessels, guns, powder, coal, &c., the engagement of officers and crews, together with the drawing up of every description of agreement, and the setting apart a guarantee fund in order to meet the claims for salaries, wages, &c., I entered into an agreement, in thirteen articles, with Captain Osborn. The important provisions of this agreement are:—

First. That Captain Osborn is an officer under the orders of the Foreign Board, from which he must receive all orders and instructions, so that he may act in concert with the Governors-General and Governors.

Second. That he must have authority and control over all steamers the property of native guilds as long as they are in the employment of the Emperor of China. This is necessary because the men in charge of these vessels are all foreigners, who, under pretext of being in Government employment, claim exemption from all supervision, and then furnish supplies to the rebels, to the very serious detriment of the public service. Moreover, it is a fact that steamers owned by Chinese subjects do, under cover of a foreign flag with which they stealthily provide themselves, engage in smuggling and every kind of illegal practice.

Third. Captain Osborn and myself agreed that there must be provided beforehand, and deposited in a foreign bank, a sum of money about sufficient to cover the pay and maintenance of the force for four years, so as to satisfy Captain Osborn and the officers and men that their pay would be punctually paid, it being apprehended that the pay would not be forthcoming, which might lead to refusal to work on the part of the crews; therefore this arrangement was made. In the meantime we agreed that, until the arrival of the men in China, the vessels and their equipment would be the security for the claims of the force.

I have the honour to submit to your Imperial Highness a copy of the agreement in thirteen articles translated from the original English.—I have, &c.,
(Signed) H. N. LAY.

THE PRINCE OF KUNG TO SIR F. BRUCE.

Peking, November 2, 1863.

(Translation.)

The Prince of Kung makes a further communication in reply on the subject of the purchase of the steamers by the Chinese Government.

As Captain Osborn purposes disbanding the entire force which he has under his command, it is the duty of the Prince of Kung to set forth (beforehand), clearly and in precise terms, the reasons why the Chinese Government has not been able to accede to the agreement in thirteen articles entered into between Mr. Lay and Captain Osborn.

1. Article 4 of that agreement runs as follows:—"Captain Osborn undertakes to act upon all orders of the Emperor which may be conveyed direct to Mr. Lay, and Captain Osborn engages not to attend to any order conveyed through any other channel."

Now, as Captain Osborn is not a subordinate of Mr. Lay's, why should it rest with Mr. Lay to transmit the orders which Captain Osborn can alone obey? The Prince's letter of instructions to Mr. Lay only stated that when the purchase and equipment of the vessels should be completed they must proceed to Shanghai, there to await orders for their distribution. There was no such language in it as that the commander of the vessels should receive his orders from Lay, and through no other channel. If that were the case then China would be placed completely in his (Mr. Lay's) hands. The Prince's letter of instructions had no such intention as this. For these reasons (the 4th Article) cannot be acceded to.

2. Article 5 runs as follows:—"Lay, upon his part, engages to refuse to be the medium of any orders of the reasonableness (or practicability) of which he is not satisfied." Now, in regard to orders that could not be carried out, Captain Osborn could well have consulted with the Chinese high officers (on the spot); but if it were as (this article) proposes, then the Chinese high officers could hold no communication with Captain Osborn, and thus important operations would be seriously impeded. Therefore, this article could certainly not be agreed to.

3. Article 10 provides that "Mr. Lay must, in addition, procure a sum of money sufficient to cover salaries, wages, and other expenses for four years. For the present, while in England, the vessels and their equipments must stand as security (for all claims)."

Now this article shows that Mr. Lay cannot trust the members of the Foreign Board, how, however, can the Prince so far trust Mr. Lay as to hand over to him, a single individual, such a large sum of money? Moreover, China has never followed such a rule as to pay four years' salary beforehand. (This article) for these reasons cannot be agreed to.

The above three articles are not only disadvantageous to China, but do not accord with the (Prince's) original letter of instructions. As for the less important objectionable points (in the agreement) it is unnecessary to point them out one by one.

The Prince and the members of the Foreign Board have seen that the said agreement in thirteen articles contains provisions very much at variance with the object which the Chinese Government had in view in the purchase of the vessels; and now that Captain Osborn is about to take home and disband the force which he has brought out, the Prince has to express his sincerest thanks to the British Government for its friendly intentions in allowing the equipment of the vessels, and in granting special permission to officers to come to China. His Highness must also thank Captain Osborn for all the trouble to which he has been put in procuring the fleet and in bringing it out to China. The Chinese Government will, as a matter of course, pay to Captain Osborn and to all his officers and men their salaries, wages, &c., and all their miscellaneous expenses up to the day of their arrival in England; and, in addition, will present 10,000 taels to Captain Osborn as a recompense for the (additional) trouble (to which he will be put). All these moneys to be given out of the sum that will be realized by the sale of the vessels.

The Prince would also request the British Minister to be so good as to suggest an effectual method by which the money spent in the original purchase of the vessels, guns, and equipments may be refunded to the Imperial Treasury of China.

As these vessels are not to be in the service of the Chinese Government, the Prince has also to request the British Minister to withdraw and cancel the Chinese flag at present used by them.

As the British Minister has already read the Prince's original letter of instructions to Mr. Lay, his Highness encloses herewith, for his Excel-

lency's perusal, a more particular and clear explanation of the important points in that letter.

A necessary communication addressed to Sir Frederick Bruce, K.C.B., &c.

Tung-Chih, 2nd year, 9th month, 21st day (Nov. 2nd, 1863).

SIR F. BRUCE TO THE PRINCE OF KUNG.

Peking, Nov. 6, 1863.

Sir,—I have the honour to acknowledge the receipt of your Imperial Highness's despatches of Oct. 25th and Nov. 2nd, enclosing papers connected with the steam flotilla, and stating the reasons which have weighed with your Imperial Highness in declining to ratify the proposed agreement.

Your Imperial Highness will have observed that I have maintained the strictest reserve while this question was under discussion. It was for China and China alone to decide for herself on a matter so intimately connected with her internal administration, and I should have acted contrary to the spirit in which I am instructed to conduct the relations of Great Britain with China, had I endeavoured to press its acceptance against the convictions of your Royal Highness, after the long and full discussion the subject has undergone. The British Government, in the belief that this scheme had met with your Imperial Highness's approval, had placed ships, officers, and men at your disposal; but it certainly did not intend to force them on your acceptance, in the event of your deciding that the conditions on which alone this force could act were such as you could not agree to. I shall not therefore discuss the arguments advanced in your Imperial Highness's despatch, on which it is not my province to pronounce any opinion, and I shall confine myself to expressing my sincere regret that the details of this scheme were not communicated to your Imperial Highness before the expedition left England, as much expense and embarrassment would have been thereby avoided.

My duty in this matter is to assist your Imperial Highness as far as possible in finding a way out of these difficulties, and I have much pleasure in acknowledging the just and liberal spirit in which your Imperial Highness is disposed to treat the claims of the officers and men engaged to serve in these vessels. A question may arise on the contracts entered into with these men as to the date up to which they are entitled to be paid, viz., whether up to the 30th of August of next year, or only up to the time of their arrival in England. This question I have no power to decide; but as I am anxious that the Chinese Government should be put to no unnecessary expense, I have instructed Captain Osborn that he is to take the opinion of a competent legal authority on the point, and to be guided by it. He is also to dispose of the vessels on the most advantageous terms, and remit the balance, after payment of expenses, to the Chinese Government. I can assure your Imperial Highness that you may have full confidence in him, and that after the handsome manner in which he has been treated by your Imperial Highness, no effort on his part will be wanting to justify it.

As there may be some difficulty in providing the funds necessary for the winding-up of this affair, I will instruct the Consuls to advance what may be required out of the forthcoming payments on account of the indemnity, the sum thus advanced to form a lien on the ships, and to be repaid out of the proceeds of the sale. I feel assured that Her Majesty's Government will appreciate the considerate spirit in which your Imperial Highness has acted, and will willingly assist Captain Osborn in carrying out his instructions.—I have, &c.,
(Signed)

F. W. A. BRUCE.

MR. BURLINGAME TO SIR F. BRUCE.

Peking, November 7, 1863.

Sir,—When the Chinese Government refused the doings of its agent, Mr. Lay, and there was nothing left for Captain Osborn but to dissolve the force of the flotilla—the question was, how could it be done with safety. I feared that the ships might fall into the hands of the Confederates, who are supposed to have agents in China, and then there was the common apprehension from lawless men on the coast in the interest of the Taipings as well as from pirates, and the desire of the Daimios in Japan to procure steamers at any price.

It was clear that the Chinese could do nothing of themselves with the steamers, and that unless something were done by you, they would certainly fall a prey to one of these several dangers. In my solicitude, on account of the rebels in my own country, I made an earnest protest against the delivery of the ships to the Chinese. You responded in that spirit of comity which has ever distinguished our relations, that the ships should be taken back to England, and that no effort on your part should be spared to prevent them from taking a direction against the interests of my country.

Though subsequent events made it necessary for the ships to take the direction indicated by the desire of the Chinese themselves, still I should be wanting in appreciation of your conduct did I not mark it with my most heartfelt thanks, and at as early a period as possible bring it to the attention of my Government.—I have, &c.,
(Signed)

A. BURLINGAME.

No. 24 is from the Foreign-office to Capt. OSBORN, acknowledging his letter; No. 25 is from Sir F. BRUCE to Earl RUSSELL, as follows:—

Peking, November 27, 1863.

My Lord,—As I anticipated from the language of the Chinese Government, the failure of the flotilla scheme has led to their dismissal of Mr. Lay. This step is in accordance with their system, for they hold an employee responsible for the management of any business confided to him, and reward or degrade him according to the event.

At the same time they have acted fairly by him. They have allowed him 3,000 taels (£1,000) a-month for the expenses of his establishment during his residence at Peking; they allowed him salary at the rate of £8,000 a-year from the 1st of May, 1863, to the month of March next, by which time his accounts are to be made up, and they present him with 6,000 taels (£2,000) as a gratification on leaving their service. I do not think that more could have been demanded, as the high salaries given to the Custom-house employees were fixed on the ground of the uncertainty

of the duration of the employment, and it is impossible, in my opinion, to maintain that Mr. Lay's dismissal is a capricious act on the part of the Chinese, or that they had not fair ground to complain of his conduct, as the cause of the pecuniary loss which this Government has suffered, and of the censure to which the members of the Foreign Board are thereby exposed. I do not admit that a man who serves the Chinese as an agent is entitled to exceed his authority, and if he does exceed it he must do so at his own risk, and take the consequences.

Mr. Hart is appointed in his place, and I trust that the change will make the Custom-house work more smoothly. He will reside on the coast, coming here when sent for on business, an arrangement which was found to work satisfactorily during Mr. Lay's absence in England. It is very desirable, with a view to the maintenance of the Custom-house administration, that the head of it should not be permanently at Peking, for if he is he is supposed to act as the adviser of the Chinese in matters not appertaining to his office, and thereby incurs the odium of the errors they commit.—I have, &c., (Signed)

FREDERICK W. A. BRUCE.

There are inclosures from Prince KUNG dismissing Mr. LAY, which will be found in our issue of the 27th of January. In addition to this is a despatch from Mr. LAY to Prince KUNG as follows:—

(Translation.)

Nov. 20, 1863.

The sum of £251,960. 2s. 1d. was transmitted to me in England, in bills at six months (I will calculate with Mr. Hart whether this sum in Chinese money corresponds with the amount of the bills he transmitted). I will give Mr. Hart minute accounts as to how this money was expended, and also a statement of the loss suffered in consequence of my having to cash the bills before they came due.

2. When I came to Shanghai I drew on the Shanghai Customs for 120,000 taels, but as the Customs had no money in hand, I made arrangements for a loan to that amount on their account, the terms being that the sum should be repaid with interest by the Shanghai Customs within twelve months. Afterwards, as the Amoy Customs sent up an extra sum of 20,000 taels, I diminished the amount of the loan to 100,000 taels.

(The reason why this money was required was as follows:—) When I was in England I received frequent letters from Mr. Hart, at Shanghai, urging me to hurry out the ships, and accordingly (with a view to save time), I bought on credit in England the stores and equipments that were still required, together with the store ship and despatch boat, stipulating that the prices should be paid as soon as they reached Shanghai. My first intention was to use (for this purpose) the Customs Guarantee Fund of 120,000 taels deposited at Shanghai, but as I feared that this sum might have to be carried to the fund set apart for the purchase of the steamers (Mr. Hart having told me that there was still a considerable debt under that head), I was compelled to ask permission to borrow 120,000 taels; I found, however, afterwards, that it would be some time before the stores, &c., would arrive, and that I could apply [the Guarantee Fund] as proposed. For this reason the 120,000 taels were never drawn, though I still retained in my hands the authority to do so, in order to be prepared to meet any other expenditure which Captain Osborn might have to incur. I diminished the sum to be borrowed, however, by 20,000 taels, inasmuch as the Fookien Customs sent in to the steamer fund an extra sum to that amount. I shall ascertain, in conjunction with Mr. Hart, how much the Shanghai Customs has already paid (to the loan account). As this sum of 100,000 taels has not been drawn or made use of, I shall return to the Foreign Board the documents connected with the transaction.

3. Previous to my departure from England, when I was not aware that certain sums or money had been sent from China, I gave a bond for £50,000 to the Oriental Bank, in order that Captain Osborn might have a sum to draw upon. Afterwards, on my arrival in China, I found on inquiry that Mr. Hart did not know how much money had been sent home, the reason of his not knowing being that M. Meritens (Commissioner of Customs at Foo-chow) had not reported the amount borrowed (and sent home) by him; accordingly, after my arrival in Peking, I requested authority to draw from the Customs the sum of 150,000 taels. (After I left England) Captain Osborn received the money sent home from China (to wit, the sum borrowed and forwarded by M. Meritens), and did not draw upon the £50,000 for which I gave the bond. The 150,000 taels has been apportioned between the different Customs, and paid up in the following manner:—

	Taels.		Taels.
Canton, to pay ..	30,000	 has paid	30,000
Swatow ..	20,000	.. ..	20,000
Foo-chow ..	30,000	.. ..	10,000
Amoy ..	20,000	.. ..	10,000
Shanghai ..	20,000	.. ..	20,000
Kiu-kiang ..	30,000	.. ..	..
Total ..	150,000		90,000

These are all the sums of the payment of which I have been informed up to yesterday, Nov. 19th, 1863, for any other sums that may have already been paid in by the Customs, and of which information has not reached me, I shall account separately.

4. The allowance for the maintenance of the flotilla, at the rate of 75,000 taels per month, will amount, for the three months commencing Aug. 1 and ending Oct. 31, 1863, to 225,000 taels. This sum has been apportioned and paid up in the following manner:—

	Taels.		Taels.
Canton, to pay ..	30,000	 has already paid	10,000
Swatow ..	15,000	.. ..	5,000
Amoy ..	18,000	.. ..	6,000
Foochow ..	102,000	.. ..	34,000
Kiu-kiang ..	30,000	.. ..	10,000
Shanghai ..	30,000	.. ..	..
Total ..	225,000	Total paid ..	65,000

The amounts received for the first of the three months have already

been reported (as above) and sent in, but I have not received the second or third months' allowances. If any further sums have been paid over on this head, I shall account separately for the sums so paid with Mr. Hart.

5. There is deposited at Shanghai a (Customs) guarantee fund of 120,000 taels. This sum was deposited in the Oriental Bank, from April 1861, the date of my departure for England, to April 1863, and 12,000 taels interest at five per cent. per annum has accumulated thereon. Prior to April 1861, owing to the unsettled state of affairs, the sum was only temporarily lodged, and did not produce any interest; this sum, principal and interest, I shall return immediately to the Chinese Government.

6. The cost of the vessels, guns, and warlike stores, and all salaries, wages, and expenses incurred up to the arrival of the flotilla in China, will be paid out of the item of 1,070,000 taels.

7. The entire cost of maintaining the flotilla after its arrival in China will be charged against the monthly sum of 75,000 taels, provided by the Customs, beginning at August 1st and ending October 31st 1863.

This sum of 75,000 taels was originally intended to cover all expenses for salaries and wages, for ammunition, &c., for stores and coal, for rewards and compensations for wounds, and for every kind of unforeseen expenditure. As, however, the flotilla has never come into action, there must be a large balance of this allowance for the three months to be returned to the Chinese Government.

8. Of the 375,000 taels allowed for taking the flotilla home, Mr. Hart and myself will account for 162,000 taels (being the estimate for salaries and wages), according to the accounts rendered by Captain Osborn; Sir F. Bruce and Captain Osborn will account for the remaining 213,000 taels, being the sum estimated to cover miscellaneous expenses.

No. 26, the last, is from Earl Russell to Sir F. BRUCE, stating the approval of Her MAJESTY'S Government of his conduct of this affair.

We think it will be admitted that the following conclusions are evident:—

1st. That Mr. LAY has most completely mistaken his position and authority. 2nd. That the Chinese Government have acted consistently throughout, and have behaved with more than Oriental liberality, considering the loss they will sustain, which may be roughly estimated at £100,000. 3rd. That Capt. OSBORN was entirely misled by Mr. LAY in the first place. That finding the Chinese Government wished to make a mere tool of him to execute their cruel policy through the Governors of provinces, he saved our Government and our countrymen from such disgrace (similar to Soo-chow) by a bold and honest line of conduct in which his officers nobly seconded him. 4th. It is discernible in Mr. BRUCE's despatches that he did not at all relish the idea of having the Inspector-General resident at Peking with equal or perhaps superior advantages to himself. 5th. Mr. LAY and Capt. OSBORN retire from the Chinese service with handsome accumulations.

CAPTAIN OSBORN'S DEFENCE OF MR. LAY.

(To the Editor of *The Times*.)

Sir,—I can dispose of that part of the charge brought against Mr. LAY by Prince Kung, to which you allude in your leading article of today.

I was present at a conference of the Foreign Board in Peking, when, in reply to a charge that Mr. Lay wished to arrogate too much authority, Mr. Lay distinctly told Wur-seang, the Prime Minister, that if the clauses Nos. 4 and 5 of our agreement were considered objectionable, they could be erased, but that, of course, some responsible European must be nominated, who could translate Imperial edicts, and vouch for my acts being in accordance with the Emperor's wishes, and consonant with European ideas of humanity and justice.

I believe the real charge against Mr. Lay, though not expressed, is that he was not artful enough to take advantage of our long friendship and my faith in him to induce me to enter upon such an undertaking without any pledges whatever. He would then have put me into exactly the same false position as Colonel Gordon has been thrust by his friends. I could not have retired. I must have acted under the Foutai, and fulfilled the prophecies of wise men who fancied I and my companions were merely hired as Imperial executioners.

I have just now quite as much in hand as one man can well do, and Mr. Lay is well able to show his own case; all I ask is, reserve your judgment until he arrives in April.

For my own part, I do not question the right of the Emperor to refuse to ratify the engagements of his agent. But I maintain that the agent, a man tried by ten years' arduous service, acted in perfect good faith, and in the best interests of China and of England, and not with any petty views of self-aggrandisement; and that for what he did he had a good authority, which lies within a nutshell. I enclose it, it bears the seal of Prince Kung's office, and it is a Chinese translation of clauses in English, drawn up by one of our own lawyers:—

"I therefore address this despatch to the Inspector-General, and transfer the management of the affair into his hands.

"There are three important points:—

"1. The purchase of the vessels, guns, gunpowder, coal, and the miscellaneous articles for the use of the vessels.

"2. The engagement of officers, gunners, and seamen, and others for services in the vessels; and the arranging the terms and conditions of every description of agreement.

"3. The retention, as proposed, of a sum of money to meet the salaries and wages that may be settled by the agreements, and also to provide for the payment of compensations and other items in time to come.

"The above three points we leave the Inspector-General to dispose of as, in his discretion, he may see fit."

Upon less authority than this I have reason to believe that even treaties have been concluded with the Emperor of China.—Yours faithfully,
London, March 5. SHEPARD OSBORN, Captain.

THE ORDER IN COUNCIL REVOKED.

The *London Gazette* contains an Order in Council revoking the order made on the 30th of August, 1862, permitting Horatio Nelson Lay and Captain Sherard Osborn, R.N., to enter into the service of the Emperor of China, and to engage and enlist British subjects in the same service, &c.; and also revoking the order made on the 9th of January, 1863, permitting all military officers in Her Majesty's service to enter the service of the Emperor of China. The revocation is to take effect, so far as relates to acts to be done in Great Britain or Ireland, as from the 1st of March, 1864, and so far as relates to acts to be done in China or elsewhere than in the United Kingdom as from the expiration of three calendar months after that date.

Shipping Intelligence.

ARRIVALS.

Date.	At	From	Ship.	Captain.
Feb. 22	Texel	Batavia	Nicolaas Witzten	Portengen.
— 12	New York	Hong Kong	Agincourt	Custance.
— 25	Off Cape Clear	China	Beautiful Star	Catto.
— 25	Queenstown	Shanghai	Spirit of the Sea	Maguire.
— 29	Falmouth	Batavia	Fantasia	Forbeck.
— 23	Off Scilly	Do.	Zes Gezueters	Rottgers.
— 27	Liverpool	Hong Kong	Nelbrek	Tungart.
— 26	Texel	Batavia	Azia	Molenaar.
— 29	Plymouth	Macao	Venezuela	Pierdorff.
— 29	Channel	Batavia	Bergomelster (?)	Richards.
— 29	Liverpool	China	Palmyra	Hennings.
— 15	New York	Foo-chow-Foo	Vesta	Cooper.
Mar. 1	Deal	Do.	Revenbourne	Murrell.
— 1	Do.	Foo-chow-Foo	Langula	Brown.
— 1	Do.	Do.	Nimosa	Johnson.
— 1	Do.	Shanghai	Julia	Bird.
— 1	Cadiz	Manila	Guadelupe	Aranceo.
Jan. 17	Callao	Macao	Westward Ho!	Roberts.
Mar. 2	London	Shanghai	Mirage	Sargent.
— 2	Do.	Kanagawa	Broadwater	McClind.
— 1	Deal	Shanghai	Reindeer	Hosacoon.
— 1	Do.	Amoy	Rubicon	Whitehill.
— 1	Do.	Shanghai	Rock City	Andrews.
— 1	Do.	Do.	Oasray	Bush.
— 2	Do.	Do.	Fairlight	Nicholls.
— 2	Do.	Foo-chow-Foo	Bosworth	Wircen.
— 2	Do.	Singapore	Arthur	Hutton.
— 2	Liverpool	Shanghai	Lady Elizabeth	Deuchar.
— 2	Do.	Hong Kong	Eleanor	Westgarth.
— 2	Deal	Penang	John Masterman	Brorsen.
Feb. 29	Off the Start	Macao	Siwa	Coulon.
Mar. 3	Off Dover	Banjoewangie	Macassar	Duff.
— 4	Off Dover	Foo-chow-Foo	Wm. Melhuish	Funch.
— 4	Off Penance	Shanghai	India	Cave.
— 4	Off the Start	Do.	Lord Macaulay	Peters.
— 4	Off Dover	Do.	Palmerston	Ockman.
— 1	Off Folkestone	Singapore	Peter Symons	Buschmann.
Mar. 2	Off Sandgate	Sourabaya	Etha	Ouweland.
— 2	Off the Wight	Batavia	Johannes Christian	Dehle.
— 2	Do.	Do.	Susanna & Elizabeth	
— 2	Do.	Java	Alda Maria	
— 2	Brouwerhaven	Batavia	Java	
— 4	Marseilles	Alexandria	Moeris (str.)	
— 5	Deal	Foo-chow-Foo	Alfred the Great	
— 4	Falmouth	Moulmain	Impulse	

(See Commercial Postscript.)

DEPARTURES.

Date.	From	For	Ship.	Captain.
Feb. 22	Cardiff	Manila	St. Fillan	Ferguson.
— 24	Do.	Hong Kong	Ocean	Radvan.
— 24	Do.	Singapore	Honigby	Valk.
— 24	Lamlash	Do.	Falcon	Watson.
— 27	London	Do.	Faite	Bell.
— 25	Leith	Antwerp & Manila	Earl of Mar & Kellie	Steel.
— 26	Newport	Shanghai	Stapley	Doughty.
— 28	Do.	Do.	Tipree	
Mar. 1	Deal	Japan	Nummer 1	V. Duyn.
— 3	London	Nagasaki	Alice	Anderson.
— 2	Shields	Singapore	Ousart	
— 4	London	Batavia & Sourabaya	Copernicus	Algra.
— 4	Do.	Shanghai	Queen of Nations	Mitchell.
— 2	Sunderland	Singapore	Wye	Houston.

(See Commercial Postscript.)

LOADING.

At LONDON.—For Kanagawa: Satsuma, Medina. For Shanghai: Canadian, Celestial, Solent, Delhi, Finzel, Beemah. For Hong Kong and Canton: Cambalu, Southern Belle, Lord Raglan, Prince Alfred, Sydney Eggers. For Hong Kong: Dilkhoosh, Gauntlet, Jubilee. For Manila: Conchita, Elisa. For Singapore: Maggie, Prince Alfred, Blue Jacket, Moneta, William Simpson. For Penang: Marengo. For Bangkok: Helen Baird.

At LIVERPOOL.—For Shanghai: Anglia, Patna, Alice, Recife, Truro, Jane Leech. For Hong Kong and Canton: Veronica. For Hong Kong: Milton. For Singapore: Glendower, Euphrates, Bogota, Lorton, William Cundall, Spirit of the Sea. For Manila: Olano, Ercilla. For Batavia and Sourabaya: Cherokee, str.

At GLASGOW.—For Hong Kong and Shanghai: Hermelin. For Singapore and Penang: Hoang-Ho. For Batavia and Singapore: British Queen. For Batavia, Samarang, and Sourabaya: Thomas Mitchell.

SPOKEN.

VOLTA, Manila to Havre, Dec. 22.
MARGARETHA, Batavia to Amsterdam, Dec. 31, 32 S., 14 W.
BELISIMA, Macao to London, Jan. 1, lat. 35, lon. 20.
CAROBEL, Bristol to Singapore, Nov. 7, 10 N., 25 W.
ORIENTAL, Cardiff to Shanghai, Nov. 22, 15 S., 29 W.
ZAMBEZI, Borneo to Hull, Jan. 11, 9 S., 13 W.
ASSYRIAN (barq.), London to Shanghai, Feb. 19, 39 N., 6 W.
NIPHON, Shanghai to Liverpool, Dec. 28.
JACOBA CORNELIA (Dutch barq.), Batavia to Rotterdam, Feb. 28, 50N., 11W.
BATAVIA, Batavia to Amsterdam, Feb. 22, 49 N., 11 W.
TAGAL, Batavia to Dordt, Feb. 22, 49 N., 11 W.
WINDAU (?), Manila to London, out 86 days, Jan. 11, 17 S., 4 W.
AGRA, Liverpool to Singapore, Dec. 27, 8 S., lon. 92.
JOHANNA, Batavia to Amsterdam, 30 S., 41 E.
COURRIER DE LA SONDE, Bordeaux to Singapore, off St. Paul and Amam.
JAMES PABON (ship), London to Singapore, Feb. 16, 49 N., 13 W.
MEXICANA, brig., Amoy to London, Jan. 12, 10 S., 12 W.
SEA WAVE, Clyde to Singapore, Jan. 22, 6 N., 21 W.
LAGA (?), Foo-chow-Foo to London, Feb. 10, 34 N., 38 W.
LITTLE EDITH, Cardiff to Shanghai, Jan. 21, 1 N., 22 W.
ANNA (Dut. barq.), Shanghai to New York, Jan. 15, 6 S., 16 W.
St. FILLAN, Cardiff to Manila, Feb. 28, 50 N., 8 W.
NOTRE DAME DES VICTOIRES, (F. b.), Manila to Dunk., Nov. 30, 27 S.
CALEDONIA (ship), Hong Kong to London, Dec. 17, 34 S.
HOLLANDSTROUW (Dut. barq.), Shields to Sourabaya, Jan. 17, 8N., 27W.
HEILIGE LIDUINA (Dut. barq.), Java to Schiedam, Jan. 23, 6 N., 21 W.
COULNA KYLE, London to China, Jan. 20, 25 N., 20 W.
PEERLESS (barque), Singapore to Liverpool, Dec. 1, 11 S., 85 E.
JAMES VINNICOMBE, Shanghai to London, Dec. 11, 24 S., 58 E.
FERRIS (barq.), Cardiff to Singapore, Nov. 27.
THOMAS S. STOWE, from Shanghai, Jan. 1.

VESSELS EXPECTED.

From JAPAN.—At LONDON: Cambridge, J. C. Munro, Constance, Dolphin, Europe, Scawfell. At LIVERPOOL: Marion, M. Theresa, William Eggerts. At NEW YORK: Sarah (via Shanghai), Maggie Atkinson.

From CHINA.—At LONDON: Monarch, Belle, Mexican, Melrose, James Viinnicombe, Spirit of the Deep, J. H. Ransom, Hawthorne, Daisy, Spirit of Trade, Sophie, Philip I., Maiden Queen, Portland, Edinburgh, Ocean Queen, Siam, Havlock, Ocean Bride, Clarendon, Theodore and Julie, Ironside, Bellissima, Laurel, Magnus, Renown, Nelly, Star Queen, Chalmers, Balmacara, H.M.'s Scout, Heroes of Alma, Princess of Wales, Marie Wilhelmina, Standard, Isabella Ridley, Mary Ann Wilson, Agra, Island Queen, Strathallan, Marquis of Argyll, Amaranth, Glaramaza, Bankside, Nonpareil, H.M.S. Centaur, Ballarat. At LIVERPOOL: Alfred Kay, Joshua Bates, Iron Crown, Forfarshire, Our Queen, Sarah and Emma, Cordova, Alliance, Abdul Medjid, Regina, Rane, Victoria, Star of the North, Montgomery, Nippon, James Gibson, Macduff, Nile, Glenhuntly, Fow Tsun, Princess Royal, Loodianah, Chrysis, Amazon, Agincourt, Light of the Age, Falcon, Lord Lyndhurst, Istambul, Young England, Nonpareil, Royal George, General Putnam, Solway, Merrie England, Ofor, Zingra, Virginia, Junapore. At FALMOUTH: Divina, Panama. At HAMBURG: Selina Jane, Ophelia. At NEW YORK: Anna, Sarah, Wilhelmina, Graf Eulenbug, Creole, Helen Nicholson, Apollo, Elizabeth, Louise Kohn, Hermine, Kahlamba, Confucius, St. Paul, Guiding Star, Queen of the Seas, Peep O'Day, Anne Wood, Capella. At Montreal: H. E. Sassaune.

From MANILA.—At LONDON: Pelicano, Minden, Flora, Der Preusse. At FALMOUTH: Agricola, Maggie Lauder. At LIVERPOOL: Elias, Alaric, Conference, Belvidere. At Falmouth: Helverton. At DENMARK: Emma. At ROTTERDAM: Zanzibar. At NEW YORK: Bavaria, Helvetia, Castilian.

From SINGAPORE.—At LONDON: Avalanche, Maid of the Tyne, Halton Castle, Latona, Oscar, Pilgrim, Tre Broche, Constance. At LIVERPOOL: Oasis, Alfred Roy, Crusador, Spanker. At QUEENSTOWN: Agricola. At FALMOUTH: For orders, Helene (Dan.). At BORDEAUX: Frehel (Fr.), Salazes (Fr.), Orixa (Fr.), Hoogly, Saint Mitchell. At NEW YORK: Caroline.

From BATAVIA.—At FALMOUTH: Frederika. At CHANNEL: Ceres Richard.

From PENANG.—At LONDON: Nipisquit, Rockliff, Teesdale. A FALMOUTH: Schlosser.

FREIGHTS AND CHARTERS.

There has been but little doing lately in shipping; high rates are asked for British vessels, consequent upon the risk incurred by the employment of American, Danish, or German bottoms; very high rates of insurance being demanded for these latter vessels. Outward freights continue very quiet, there being little activity in exports, and low rates are readily accepted.

Current Rates of Freight for Vessels on the Berth:—To Kanagawa: 55s. weight, 50s. meast. To Nagasaki: 65s. To Hankow: 65s. weight, 60s. meast. To Amoy and Foo-chow-Foo: 50s. weight, 42s. 6d. meast. To Shanghai: 50s. weight, 27s. 6d. to 30s. meast. To Hong Kong: 40s. weight, 25s. to 30s. meast. To Manila and Labuan: 50s. weight or measurement. To Penang: 40s. weight or measurement. To Batavia: 40s. weight, 30s. measurement. To Bankok: 60s. weight or measurement.

The quotations for coal and iron from the North are as follows:—For Hong Kong: £38 to £39, and £1. 17s. 6d. For Shanghai: £48 to £52, and £2. 5s. For the Philippine Islands, Penay, or Zebu: £2 (nominal). For Singapore: £25 to £26, and £1. 6s. For Penang: £24. These rates are from the Wear or Tyne, and Newport, Cardiff, or Swansea, respectively.

The Jubilee has been accepted by the Admiralty for the conveyance of Government stores to Hong Kong.

At ASCENSION.—Jan. 8, Tasmania, Jonker, from Batavia, for Amsterdam; 14, Mexicana, Collins, from Amoy. Off Ascension—Jan. 12, Ravensbourne, from Japan for London; 13, Edinburgh from Shanghai,

for London; 24, G. D. L. J., from Shanghai for Liverpool; 26, Sarah, and Emma, from Shanghai, for Liverpool.

At ST. HELENA.—Jan. 11, Palmerston, Peters, from Shanghai, and sailed from London; 13, Robertus Hendricus, Mulder, from Batavia, and sailed 14 for Amsterdam; 14, Luconia, Admiral, from Proboling, and sailed for Amsterdam; 15, Theodora Machtilda, Wyck, from Patjitan, and sailed 16 for Amsterdam.

Off ST. HELENA.—Jan. 12, Melbrek, from Hong Kong.
At TABLE BAY.—Jan. 7, Mary, Silversparre, from Batavia, and sailed 11, for Falmouth; Camoes, Marques, from Macao, and sailed, 9, for Havana; 18, Jane and Isabella, Cole, sailed for Singapore; 15, Leila, Rapson, for Singapore.

At ALGOA BAY.—Jan. 16, Melrose, Huson, from Amoy, and sailed, 17 for Boston.

CASUALTIES.

Teneriffe, Feb. 12. The Jane E. Williams, Young, of and from Liverpool for Shanghai, which took fire Feb. 4th, ninety-three miles from this island, and was abandoned next day, was afterwards taken in tow by an inland vessel, but went down within sight of the port of Orotava.

The Fantasie, Forbeck, from Batavia to Falmouth, which put into St. Helena Dec. 30, was leaky. Having been trimmed by the head, and the leak found and stopped, she proceeded on the 1st Jan., and arrived at Falmouth Feb. 29.

The Amberwitch steamer, from London to Bombay, with fittings for the Persian Gulf cable fleet, arrived in Table Bay on the December 26. On the 27th, during a strong south-east gale in Table Bay, she parted both cables, and before she could be brought up had run foul of the barque Hastings, carrying away her jibboom, &c.

The Wild Deer, Cobb, from Liverpool for Shanghai, put into Lisbon, Feb. 27, with foremast head damaged, and loss of foretopmast, foreyards, sails, &c., and with main top mast and jibboom sprung.

Intelligence has been received from Batavia, under date Jan. 27, of the total loss on Sandalwood Island, Nov. 11, of the barque Edith Pepper, from Liverpool to China, with coals. Six of the crew drowned. Also that the Glaramara (barque), from Foo-chow-Foo to London, with tea, grounded on some rock in Sunda Straits, and had put in there to repair. She had been surveyed and would have to discharge and be docked.

CHINA FIRE INSURANCE COMPANY.

Subscribed Capital, 2,000,000 taels, in 400 Shares of 5,000 taels each.
Paid up Capital, 200,000 taels.

DIRECTORS.

F. B. Johnson, Esq. (Messrs. Johnson and Co.).
H. H. Wiggins, Esq., Manager Commercial Bank of India, Chairman.
H. D. Stewart, Esq. (Messrs. Turner and Co.).
F. Porter, Esq. (Messrs. Gibb, Livingston, and Co.).
J. Thorne, Esq. (Messrs. Thorne Brothers and Co.).
David Reid, Esq.

Agencies are about to be established at the several ports in China and Japan.

L. JOSEPHS, Secretary.

S. NYE AND CO.'S PATENT MACHINES,

OF various sizes, for MINCING MEAT, VEGETABLES, &c., &c., for making Sausages, Mince Meat, Potted Meats, and various Dishes. Price £1. 1s., £1. 10s., £2. 2s., £3. 3s., £3. 6s., and £7. 7s.

"It is extremely clever."—Times.

A small MINCER or MASTICATOR, to assist digestion. Price £1. 10s. "Very suitable for invalids and for persons with decayed teeth."—The Lancet.

IMPROVED MILLS for COFFEE, PEPPER, SPICE, MALT, &c., the best and most convenient made. Price 6s., 8s., 10s., 14s., 15s., and 2s. "The best and most convenient Mill in use."—Family Herald.

ROTARY KNIFE-CLEANING MACHINES of SUPERIOR QUALITY from £2 and upwards.

79, WARDOUR STREET, LONDON.

BOYVEAU LAFFECTEUR'S ROB.

The only one authorised and adopted in France, Belgium, Austria and Russia.

THIS Vegetable Syrup, prepared and guaranteed genuine by the signature of Dr. GRANDEAU DE ST. GERVAIS, is very superior to the purifying syrups. It effects a radical cure, without mercury, of all affections of the skin, scurf, scrofula, &c., and symptoms arising from the acid state of the humours. The Rob is especially valuable in diseases which have resisted the effect of mercury or iodide of potash. The general entrepot is 19, RUE RICHT, PARIS.

Sold Retail.—London: Jozean, Hannay. New York: Fougere, Gaudet, Milhans. Gibraltar: Patron and Danilovich. Malta: Dr. Pirotti, A. Bugeja, Magri, and A. Rolandi, Esplanade. Alexandria: Bellamora, Galette, Perini. Bombay: Franjee Nassewanjee and Co. Singapore: Martin and Little. Batavia: L. Pison and Co. Macao: J. De Freitas.

THE BANK OF HINDUSTAN, CHINA, and JAPAN (Limited).
16, CORNHILL, LONDON.
Capital, Two Millions.

BANKERS.

Bank of England, The Alliance Bank of London and Liverpool.
Branches at Bombay, Calcutta, Hong Kong, and Shanghai.

Deposits received at 10 days' notice, on the usual terms, and for fixed periods, at rates subject to special agreement.

Drafts issued, and bills negotiated, payable in India, China, &c.

Circular Notes and Letters of Credit, payable throughout Europe, are also issued for the convenience of travellers per overland route.

The purchase and sale of Indian and other securities and the safe custody of the same undertaken. Dividends, pay, pensions, interest, or other moneys realised, and the registry of Indian Government Loan Notes effected, so that the interest may be paid in England.

Every other description of banking and agency business in connection with India, China, &c., conducted on the most favourable terms.

J. OUSELEY, General Manager.

CHARTERED MERCANTILE BANK of INDIA, LONDON, and CHINA. Incorporated by Royal Charter. Paid-up capital £500,000. Reserve Fund, £100,000.

The Bank negotiates and collects bills and grants drafts, payable at Bombay, Calcutta, Madras, Colombo, Kandy, Singapore, Galle, Penang, Hong Kong, Shanghai, Yokohama, and Mauritius, issues letters of credit and circular notes for the use of travellers by the overland route terms for which can be ascertained at the Head Office, in London.

The Bank will effect the purchase or sale of Indian securities, undertakes the safe custody of same, and the receipt of interest, dividends, pay, pensions, and other moneys, for remittance through the Bank or otherwise.

The Bank receives money on deposit, on which interest will be allowed according to the length of time deposited. Particulars as to rates can be ascertained at the Head Office, 63, Threadneedle-street, London.

Office hours 10 to 3; Saturdays, 10 to 2.

NOTICE.

PORT OF AMOY, CHINA.

AGENTS and Commanders are informed that the Dock Company's Establishments at the above Port afford every facility for REPAIRING, SPARRING, and RE-FITTING VESSELS of all sizes, and for CLEANING and PAINTING Iron Ships, at moderate charges.

Their large Granite Dock, 236 feet long on the blocks, with 19 to 21 feet water in the entrance at spring tides, and fitted with Caisson Gate and Steam Pumps, is in complete working order, and is well supplied with every description of materials.

EUROPEAN FOREMEN superintend the work in all departments.

Amoy, 1st January, 1864.

VICHY.

THE PROPERTY OF THE FRENCH GOVERNMENT.

NATURAL MINERAL WATER, a sovereign remedy for diseases of the liver contracted in hot climates.

GRAND-GRILLE or CELESTINS spring.

Sold in cases of 30 or 50 pints.

PARIS, 22, BOULEVARD MONTMARTRE.

LONDON, 37, MARGARET-STREET, REGENT-STREET.

MARSEILLES, 9, RUE PARADIS.

Notice to Passengers.

KELWAY'S ORIENTAL HOTEL,

SOUTHAMPTON.

(Adjoining the Docks and Railway.)

Hot and Cold Baths, and Moderate Charges.

THE Proprietor, having been many years in the employ of the P. and O. Company, can give every information respecting the arrival and departure of the steamers.

R. KELWAY, Proprietor.

THE HONG KONG AND WHAMPOA DOCK COMPANY.

AN ASSOCIATION, called the "HONG KONG AND WHAMPOA DOCK COMPANY," having purchased Messrs. J. C. Couper and Co.'s extensive DOCKS, with Engineer Factory and Foundry, at Whampoa, are prepared to execute all kinds of work with prompt despatch.

The Dock is built of Granite, and is 550 feet over all with 620 feet on the blocks, and a breadth of 80 feet at the entrance. It can be used as either one or two Docks, being fitted with two Caissons. It is also furnished with Steam Pumps.

Depth of Water at Spring Tides, 16½ to 17 feet.

Do. Neap do. 13½ to 15 "

Attached to the Docks is a Pair of Shears, fitted with two capstans and three winches, and capable of lifting fifty tons, with a depth of water under the Shears, alongside the Jetty, enough for any vessels at all times of Tides.

The Engine-house on the Establishment contains Lathes of all sizes, and capable of taking any sized Shaft; one Self-acting Planing Machine, Screwing Machine, with Taps and Dies complete, Large and Small Drilling Machines, Punching and Cutting Machines, Rolling Machines, powerful Steam Hammer (3 tons), &c., &c.

Also, one Wood Dock, capable of taking a Vessel of 240 feet on the keel, on a Draft of 14 feet at Spring Tides, and 11 at Neap Tides. This Dock is also fitted with a Caisson, and is pumped out by steam.

The above are the only Docks in Whampoa fitted with Caissons.

There are also Two Mud Docks, one capable of taking in Vessels of 164 feet on the keel, with a Draft of 12 feet 6 inches at Spring Tides, and 9 feet 6 inches at Neap Tides. The other, Vessels of 120 feet 6 inches at Spring Tides, and 7 feet 6 inches at Neap do.

The Blacksmith's Shop contains 1 Large Boiler-maker's Furnace and 12 Smiths' Forges, fitted with Steam Blows.

The Iron Foundry contains a Furnace capable of melting 5 tons, and Brass Furnace for melting half a ton.

Attached to the premises is a Circular Sawmill driven by Steam, capable of cutting logs or planks of any length. The whole under the Superintendence of experienced European Foremen.

All Tools and Materials connected with Machinery kept always on hand.

Copper and Yellow Metal Sheathing, Felt, Pitch, Tar, Oakum, Paints, Oils, &c., &c., supplied at market rates.

For Dock Charges, or further particulars, apply to Mr. D. LAPRAIK, Hong Kong; to G. N. MITTO, Manager, Whampoa; or to Messrs. JAMES MORRISON and Co., 1, Crown-court, Philpot-lane, London.

PAYNE'S

INDIAN CURRY POWDER

IS unequalled for its delicious flavour and a stimulating qualities.

In Bottles, 3s. 6d., 2s. 3d., and 1s. 6d. each.

Curry and Mulligatawny Paste, Jars, 3s. 6d. and 2s. 3d. each.

Royal Combination Pickle, bottles, 2s. each.

N.B.—This pickle is highly approved, and as a rest for cold meat, &c., will be found unrivalled.

LIST OF CONDIMENTS, &c., prepared by PAYNE and CO. at the Belaire Bungalow, Calcutta.

Bottles.	
Pindaree Chutnee	1s. 6d. and 3s.
Bengal Club, do.	1s. 6d. and 3s.
Green Mango, do.	1s. 6d. and 3s.
Cashmere, do.	1s. 6d. and 3s.
Lucknow (sweet), do.	1s. 6d. and 3s.
Curry Sauce	1s. 6d.
Taro, do.	1s. 6d.
Pickled Limes	1s. 6d.
Pickled Mangoes	2s. 6d. and 5s.
Essence of Chillies	1s. 9d.
Tamarind Fish	2s. 6d. and 5s.
Balachow	1s. 6d.
Genuine Cayenne	1s. and 2s.
Nepaul Pepper	1s. and 2s.
Guava Jelly	2s. 6d. and 5s.
Preserved Mangoes	2s. and 3s. 6d.
Do. Jamaica Ginger	from 3s. 6d.
Do. Chinese Ginger	1s. jars, 5s. and 10s.
Genuine Arrowroot, 1 lb. tins, 2s.; 7 lb. tins, 10s. 6d. each.	

PAYNE and CO.

FOREIGN WAREHOUSEMEN, WINE MERCHANTS AND IMPORTERS OF INDIAN DELICACIES.
828, REGENT-STREET, & 46, MORTIMER-STREET, W.
OPPOSITE THE POLYTECHNIC INSTITUTION.

JAMES HENDERSON.

COMMISSION MERCHANT, TIEN-TSIN, CHINA.
AGENT FOR THE "LONDON AND CHINA EXPRESS."

THE ORIENTAL AND GENERAL MARINE INSURANCE COMPANY.

ESTABLISHED 1861.

Directors.

ELIAS MOCATTA, Esq.
C. F. PICARD, Esq.
Mr. Sheriff CAVE.

MOSES MOSES, Esq.
THOMAS B. YULE, Esq.
JOHN ROGERSON, Esq.

Underwriter.

PHILIP SECRETAN, Esq.

REPORT of the DIRECTORS for PRESENTATION to the SECOND ORDINARY GENERAL MEETING of SHAREHOLDERS, to be held at the LONDON TAVERN, on THURSDAY, the 25th day of February, 1864.

The Directors submit to the Shareholders the Accounts and Balance Sheet of the Company for the past year, and have much pleasure in being able to report that the business has been of a most improving and satisfactory character, and fully equal to their expectations.

The Accounts are annexed to the Report, and have been duly examined and verified by the Auditors.

They show, that after having paid all Claims for Losses, Averages, and Returns, Office Charges, and all other Expenses to 31st December last, there remains a balance of £67,274. 16s. on Insurance and Interest accounts.

The two years over which the Company's operations have extended, not being sufficient to afford a safe basis for the calculation of profits, the Directors therefore recommend that £3,339. 5s. only be applied in payment of Interest on Capital, being at the rate of £5 per cent., and the remainder, £63,935. 11s. carried forward in usual course.

In accordance with the Deed of Settlement, the two following Directors retire by rotation:—ELIAS MOCATTA, Esq., and MOSES MOSES, Esq. These gentlemen, being eligible, offer themselves for re-election.

By Deed of Settlement, also, the Auditors require to be appointed annually, and J. H. WOOD, Esq., and J. NOTMAN, Esq., being eligible, offer themselves for re-election.

The Directors have also much pleasure in reporting that, in addition to their several Agencies abroad—where Losses and Claims on Policies issued by the Company are made payable—they have appointed Messrs. BAINBRIDGE, BYARD, GAIR and Co. to be their Agents at Madras.

The following is now the completed List:—

CALCUTTA	GRANT, SMITH, and Co.	SINGAPORE	CUMMING, BEAVER, and Co.
BOMBAY	RITCHIE, STEUART, and Co.	HONG KONG	JOHNSON and Co.
MADRAS	BAINBRIDGE, BYARD, GAIR, and Co.	SHANGHAI	JOHNSON and Co.

By Order,

JOHN SCOTT, Secretary.

ORIENTAL AND GENERAL MARINE INSURANCE COMPANY.

BALANCE SHEET, 31ST DECEMBER, 1863.

Dr.		£.	s.	d.		£.	s.	d.
To Amount of Capital paid up	..	66,785	0	0				
„ Balance of Insurance and Interest Accounts ..	..	67,274	16	0				
		£134,059	16	0				
Cr.		£.	s.	d.		£.	s.	d.
By Premises in Finch-lane, etc. ..	7,467	13	6					
Less 5 per cent. ..	373	7	8					
		7,094	5	10				
„ Government and other Securities ..	..	101,919	10	9				
„ Interest due on the same ..	..	3,815	4	4				
„ Debtors for Outstanding Premiums ..	..	15,610	4	6				
„ Stamps and Petty Cash on hand ..	..	106	2	8				
„ Salvages ..	..	1,129	3	9				
„ Cash at Bankers ..	..	4,385	4	7				
		£134,059	16	0				

INSURANCE AND INTEREST ACCOUNT, 31ST DECEMBER, 1863.

Dr.		£.	s.	d.		£.	s.	d.
To Balance	..	71,233	18	6				
„ Interest on Investments, Transfer Fees, &c. ..	..	8,219	8	2				
		£79,453	6	8				
Cr.		£.	s.	d.		£.	s.	d.
By Interest paid in 1862 at 5 per cent ..	..	3,339	5	0				
„ Rent, Office Charges, and Incidental Expenses ..	..	2,199	17	4				
„ Salaries, Directors' Fees, Underwriter, Secretary, etc. ..	..	6,211	7	8				
„ Law Expenses ..	..	54	13	0				
„ Reduction of Premises in Finch-lane, etc. ..	..	373	7	8				
„ Balance	..	67,274	16	0				
		£79,453	6	8				

Having duly examined the Books from which the above Statement of Account was compiled, we certify that it is correct; we have also satisfied ourselves of the existence of the Securities, and hereby certify that the same are correct.

London, 8th February, 1864.

J. NOTMAN, }
J. H. WOOD, } Auditors.

MESSRS. RAND AND BECKLEY
(SUCCESSORS TO LAURIE, BEDFORD, AND RAND)
SADDLERS AND HARNESS MANUFACTURERS,
INVENTORS OF THE PATENT ELASTIC SADDLE.
MESSRS. R & B. have a large assortment of well-seasoned Saddlery and Harness
suitable for India and the Colonies, always on hand.
297, OXFORD STREET, LONDON (opposite Stratford Place).

TO RESIDENTS IN CHINA AND INDIA.
JACKSON & PAINE,
(EIGHTEEN YEARS WITH COLLARD AND COLLARD)
PATENT PIANOFORTE MAKERS.
PIANOFORTES, WITH ALL THE LATEST IMPROVEMENTS, EXPRESSLY
FOR EXPORTATION.
13, STORE-STREET, TOTTENHAM-COURT-ROAD, W
FACTORY, LITTLE STORE-STREET.
ILLUSTRATED LISTS FORWARDED FREE ON APPLICATION.



GARDNERS'
£2 2s. DINNER SERVICES.

CUT WINES, 3s. 6d. per dozen; CUT QUART DECANTERS, 7s. 6d. per pair
Regimental Messes supplied at the lowest possible prices. Engravings free by post.
INDIAN LAMPS ON AN IMPROVED PRINCIPLE.
MAKERS OF THE
PATENT ENAMEL GREAT CLOCK DIALS AT THE HOUSES OF PARLIAMENT
BY APPOINTMENT TO HER MAJESTY. ESTABLISHED 109 YEARS.
453, STRAND, CHARING-CROSS: AND 5 AND 6, DUNCANNON-STREET, ADJOINING.

THOMAS TURTON & SONS,
MANUFACTURERS OF

CAST STEEL for Punches, Taps, and Dies
Turning Tools, Chisels, &c.

CAST STEEL Piston Rods, Crank Pins, Con-
necting Rods, Straight and Crank Axles,
Shafts, and Forgings of every description.

DOUBLE SHEER STEEL, FILES MARKED
BLISTER STEEL, **T. TURTON.**
SPRING STEEL, EDGED TOOLS MARKED
GERMAN STEEL, **WM. GREAVES & SONS.**
LOCOMOTIVE ENGINE, RAILWAY CARRIAGE AND WAGON
SPRINGS AND BUFFERS.

SHEAF WORKS & SPRING WORKS
SHEFFIELD.

London Warehouse: 35, Queen-street, City

WHERE THE LARGEST STOCK OF STEEL, FILES, TOOLS, &c., &c., IN THE WORLD, MAY BE SELECTED FROM

RIMMEL'S CHOICE PERFUMERY,
AND NOVELTIES FOR THE SEASON.

RIMMEL'S VIOLET WATER for the Toilet, in elegant Parian bottles, 3s. 6d.
RIMMEL'S TOILET VINEGAR, of world-wide celebrity, 1s., 2s. 6d., and 5s.
The ALEXANDRA, PRINCE OF WALES, and ROYAL BRIDAL BOUQUET,
2s. 6d. per bottle, or the three in an elegant box, with photographs of the illustrious
pair, 7s. 6d.
RIMMEL'S PELLUCID GLYCERINE SOAP, warranted to contain 30 per cent. of
Glycerine—the best Soap ever produced for the Skin—1s., extra scented 2s.
The ALEXANDRA CREAM, a transparent Pomade, for fixing the Hair, and
making it glossy, without greasing it. Price 1s. 6d.
ROYAL DENTIFRICE for the TEETH, one shilling.
RIMMEL'S PERFUME FOUNTAIN, as used in the Princess of Wales' Brid-
dowd, an elegant adjunct to the Drawing Room, Ball Room, Dinner Table, &
Price from £1 10s. Lent on Hire for Bazaars and Parties.
THE TURKISH SCENTED CHARM, a pretty ornament for the Watch Chain, price
1s.; sent by post for 13 stamps. Made also in real gold, encased, at £1 1s.
RIMMEL'S PERFUME VAPORIZER, for Purifying and Perfuming the air in
Apartments, Ball Rooms, Clubs, Theatres, &c. Price, from 6s.

96, Strand, and 24, Cornhill, London; and 17, Boulevard des Italiens, Paris.
Sold by all Perfumery Dealers throughout the United Kingdom.

PROTECTION FROM FIRE!

Important to Buyers of

OBSERVE TRADE MARK.



Matches, Wax Vestas, &c.

OBSERVE TRADE MARK.

BRYANT AND MAY'S
PATENT SPECIAL SAFETY MATCHES, WAX VESTAS, & CIGAR LIGHTS,
IGNITE ONLY ON THE BOX.

Safety Matches in Slide Boxes—One Dozen Packets. Safety Vestas in Slide and Japan Tin Boxes of various sizes.
THE above contain no Phosphorus, are not Poisonous, Light only on the Box, and are
especially adapted for the Foreign and Colonial markets.
BRYANT and MAY, manufacturers of WAX VESTAS in Round Plaid Card-boxes, and in Japaned Tin-boxes of
50, 100, 150, 250, 500, and 1,000, warranted for all climates.

Sole Importers of "Jonkoping's Tändstickor."

All Orders made payable in London will receive immediate attention.

WHITECHAPEL ROAD, LONDON, E.

THE FRIEND OF CHINA.

THIS Paper is now published at Shanghai,
and contains full details of all the important Taming
movements; Mercantile and Shipping Intelligence, Poli-
tical and General Information from the ports in Japan
Peking, the Yang-tse, &c. Published Bi-Weekly.
Subscriptions received at 12, George-yard, Lombard-
street, London.

ROBERT ADAMS, Contractor for, and
Wholesale Manufacturer of every description of Fire
Arms and Apparatuses. Patentee of the Revolver and
Breech-loading Gun. Prize Medal awarded for Improved
ments in Breech-loading Arms, International Exhibition,
1862. Merchants and the trade supplied on the most
liberal terms.—R. ADAMS, 76, King William-street, Lon-
don, E.C.

NOTICE.

DELFINO, NORONHA, PRINTER, OS-
WALD'S-TERRACE, VICTORIA, HONG KONG
(Established 1847), begs to inform the community that
being amply provided with printing materials of all kinds,
from the best London tradesmen, he can undertake every
variety of job-printing, and execute the same with neat-
ness and despatch, upon moderate terms.
Overland prices current, embracing tabular work, exe-
cuted on the shortest notice.

TUPPER AND COMPANY

MANUFACTURERS OF PATENT GAL-
VANISED IRON, in Sheets, Tiles, Iron Roofs,
Sheds, Cisterns, Pails, Gutters, Wire for Fencing, &c.
WORKS AT BIRMINGHAM AND LONDON.
Offices: 61A, MOORGATE STREET, LONDON
Merchants' orders executed with despatch.

GOWASJEE DINSHAW,

Close to the Landing Place. Depot of
EUROPEAN, CHINA, AND INDIAN WORK.

WINE, BEER, CHAMPAGNE, and
SPIRITS of the best quality. Bombay-made Soda
Water and Lemonade. Perfumery, Confectionery, Oil
man's Stores, and Stationery of every description. Sola
Topees and Canvas Shoes, &c., &c., &c.

STEAMER POINT, ADEN.

Drawing and Reading-room free to Passengers.

THE "LONDON AND CHINA EXPRESS" ON SALE.

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Manila	Cunehita	W.I.D.	With des.
Singapore	Moneta	W.I.D.	March 28.
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THE LONDON AND CHINA TELEGRAPH.

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N A,

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 We publish with our present Britain have been as follows:—

returns, showing the course	1858-59	..	..	..	..	Bales.
during the last five years, in	1859-60	..	..	..	..	83,136
which we published in 185	1860-61	..	..	..	..	64,163
accompanying observations,	1861-62	..	..	..	..	79,644
highly useful for reference	1862-63	..	..	..	..	73,552
						83,264

others interested in Eastern the total export of silk from Shanghai during the year
 wished that the full official figures to Dec.) 1862 was 84,983 bales, against 70,459
 cessible, but they are usually of the preceding year; but of this increase 8,330
 The advance of the import trade were Japanese silk re-exported, so that the increase
 markable, the value having Chinese produce was only 6,194. A portion of this,
 years. The imports of tea may fairly be assumed to have been diverted from

